

Annual report
2022-23



POKARNA LIMITED

Synergised to Succeed

Synergised to Succeed

At Pokarna, process innovation and an aspiration to provide world-class products have played a pivotal role in driving excellence.

In a year marked by several external headwinds, our agile and valueaccretive business model helped us remain resilient.

As one of the leading exporters of granite and quartz surfaces, we provide contemporary designs, value for money and high-quality products that resonate with the changing aspirations of customers and evolving market dynamics.

At Pokarna, we constantly invest in new technologies and processes to increase our overall efficiency for a sustainable business. Our fully automated production line with cuttingedge technology helps us produce bestin-class products for our customers worldwide.

Our state-of-the-art manufacturing facilities in Telangana and Andhra Pradesh are equipped with 'Bretonstone' technology that ensures superior quality. Leveraging our presence in over 20 countries and an extensive and robust distribution network, we strengthen our market leadership and maximise value for our stakeholders.



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know more about
the Company



This Report is also
available online on
www.pokarna.com

Revenue mix for FY23 (₹ crore)



About Pokarna

One of the leading exporters of Granite and the largest exporter of Quartz surface, Pokarna Limited (Pokarna) has been utilising its manufacturing expertise to delivery industry-leading quality and innovative products to our customers.

Founded in a year 1991 by Mr. Gautam Chand Jain, Chairman and Managing director. Our state-of-the-art quartz surfaces manufacturing facilities are equipped with Bretonstone® specialised technology to produce best-in-class products. We have presence in over 20 countries with an extensive and robust distribution network. We also produce and sell apparel wear under brand name of 'Stanza'.



Our five pillars



Value Our People



Health, Safety and Sustainability



Embrace Technology and Innovation



Operating Performance



Focus on Profitable Growth

Quick facts

30+

Years of experience

20+

Countries exported

17%

5-year CAGR growth of Net worth

22%

5-year CAGR growth of Gross Block

17%

5-year CAGR growth of Book Value

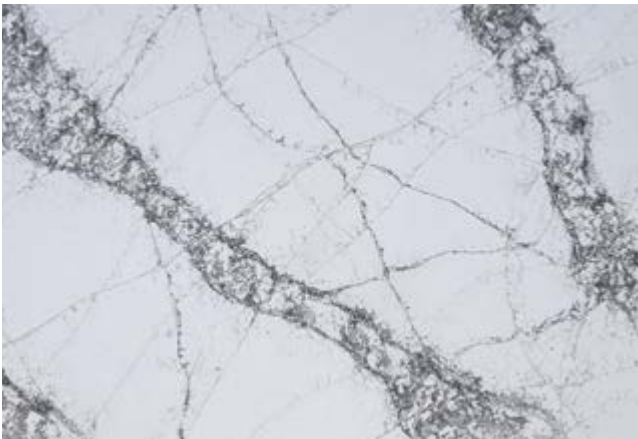
Some of Our New Quantra Offering



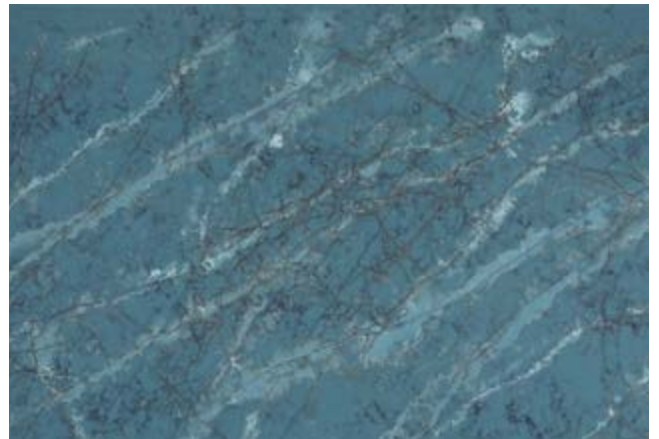
○ Moon Walk



○ Pantheon



○ La Dolce Vita



○ Fontainebleau



○ Champs-Elysees

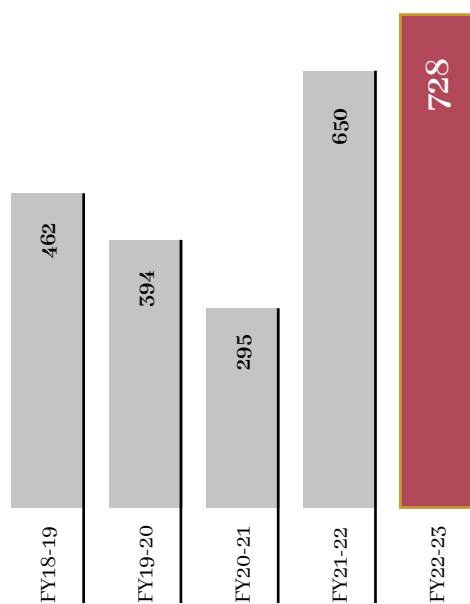


○ Pirouette

Consolidated Financial highlight

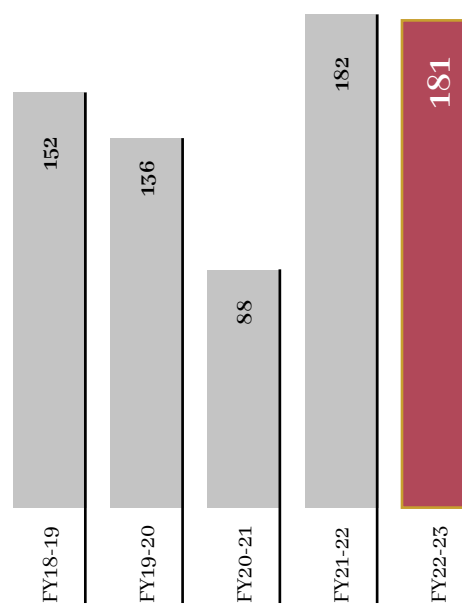
Revenue from Operations

(In INR crores)



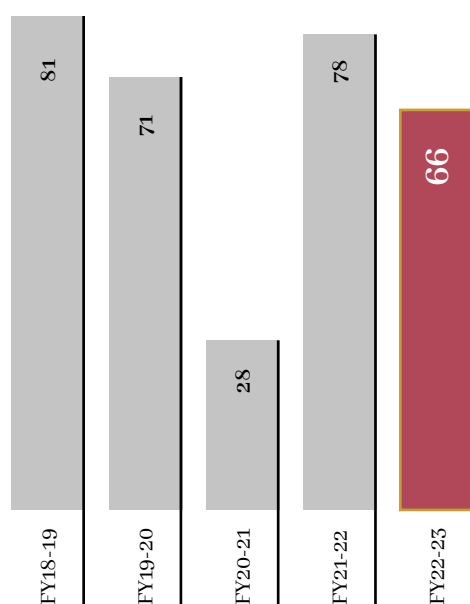
EBITDA

(In INR crores)



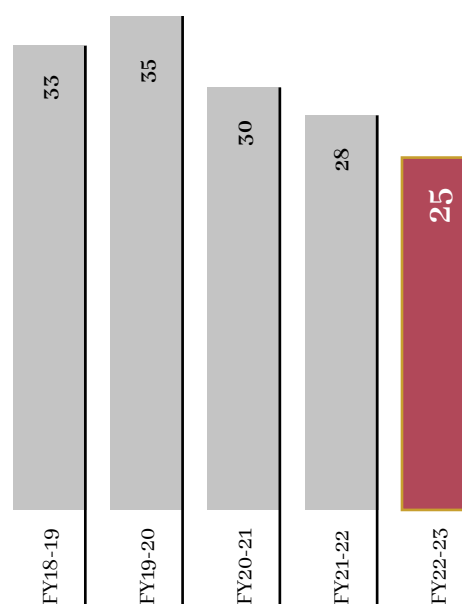
PAT

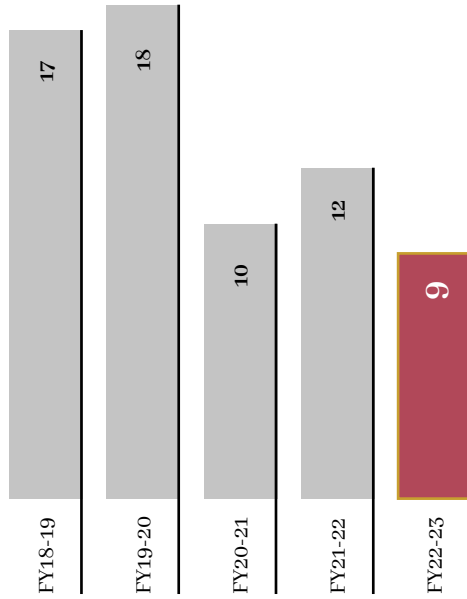
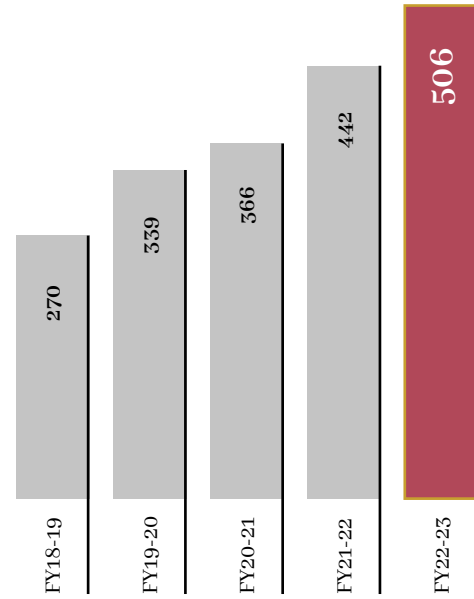
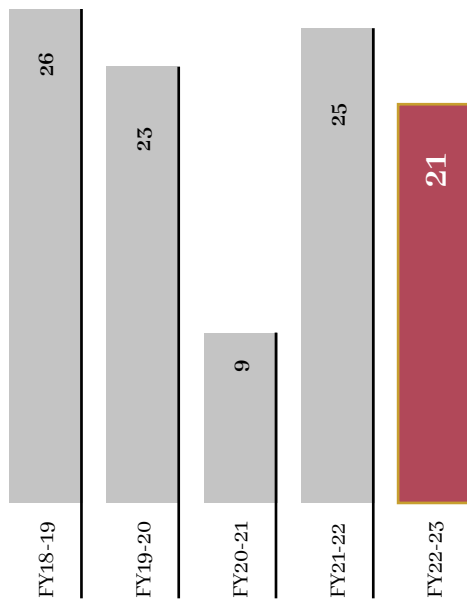
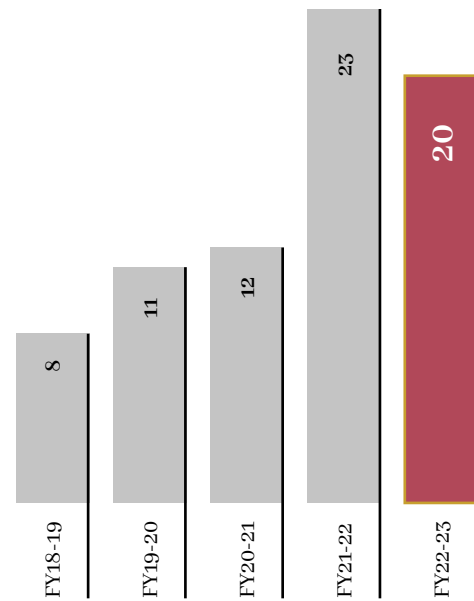
(In INR crores)



EBITDA Margin

(%)



PAT Margin
(%)**Net Worth**
(In INR crores)**EPS**
(in Rs.)**Cash and Cash Equivalent**
(In INR crores)

Chairman's message



Our consolidated revenue from operations reached Rs. 728crore during the year, marking 12 % compared to the previous year.



Dear Stakeholders,

India is a major producer and supplier of natural stone globally and is home to a large number of granite suppliers who are skilled in producing and exporting practically every kind of stone. Each year, India exports the bulk of granite and other natural stones to several countries, including Germany, Poland, Slovenia, Slovakia and Austria, along with other parts of the world.

At Pokarna, one of the leading exporters of granite and the largest exporter of quartz surfaces, we have been utilising our manufacturing expertise to deliver world-class granite and quartz surfaces to our growing customer fraternity across the globe.

I am honoured to present the 32nd annual report of Pokarna Limited at the conclusion of FY 2022-23. In today's highly competitive and dynamic business landscape, synergies have become a crucial driver of success. At Pokarna, we acknowledge the immense value that can be created by harnessing the collective strengths and capabilities of our diverse teams, business divisions and strategic partnerships. By synergising

our efforts, we are geared to unlock new opportunities, drive innovation and achieve sustainable growth.

Industry and business overview

2023 was an eventful year for us as we delivered on our strategy and made great strides in driving modest growth amid a slew of challenges. While substantial work lies ahead, we are pleased with how we have responded so far. As we enter a new fiscal year, it gives me immense pleasure to reflect on the year just gone by.

The housing and construction markets in the United States faced several headwinds in the later part of the year, primarily due to soaring interest rates coupled with broadening inflationary pressures. Additionally, shipping prices witnessed a sharp fall, causing our customers to adjust their inventory levels and put certain orders on hold. All these factors contributed to muted demand.

Consequently, we decided to reduce production volumes, which resulted in greater unabsorbed overhead expenses and lower margins, thereby impacting our overall profitability. The combination of high interest rates and lower consumer confidence hindered market demand and volumes further. Regardless of the uncertain duration of these challenges, we are dedicated to managing production volumes effectively until the situation stabilises.

We, at Pokarna, remain confident and well-prepared to navigate these downturns, strengthened by our rich legacy spanning over three decades, cutting-edge manufacturing facilities and substantial presence in more than 20 countries. We have identified new geographies, such as Canada, Russia and parts of Europe, as potential areas for expansion. By tapping into these markets, we aspire to diversify our customer base and lessen our reliance on the US market. This will also bolster our resilience and sustain long-term growth

I am pleased to report that, amid several headwinds, Pokarna has been able to deliver modest financial results. Our consolidated revenue from operations reached Rs. 728 crore during the year, marking 12 % compared to the previous year. This performance is an outcome of our commitment to innovation, the sharpening of our capabilities and the dedication of our talented workforce.

Segmental performance

In terms of our granite segment's performance, we witnessed intense competition and escalated interest rates, which adversely affected our revenues and profitability. However, our vertical integration with captive quarries and state-of-the-art mining and processing infrastructure provided us with a competitive advantage in handling external adversities.

Similarly, in the quartz surfaces segment, the rising interest rates and sharp fall in shipping rates weighed on demand and customer sentiment, leading to inventory reductions and order delays. Nevertheless, our state-of-the-art production facilities, coupled with an unwavering focus on research and development, enabled us to deliver premium-quality products to our clients. Throughout the course of FY23, we served our customers through private label products and our Quantra brand, ensuring that their diverse needs were met.

Our laser-focused approach to operational excellence also helped ensure that processes are efficient, costs are optimised and quality is impressive. Furthermore, we deliberately focused on key segments in the US market, carving a well-defined path to healthy margins and sustained revenue growth. In our apparel division, we have begun implementing several initiatives for cost reduction.

Determined to turn threats into opportunities, we remain committed to exploring new avenues of growth while

also leveraging our robust footprint across various geographies. Guided by a visionary leadership team, we, at Pokarna, are poised to steer our organisation towards success while creating sustainable value for all our stakeholders.

Enhancing brand visibility

We actively engaged in international exhibitions and trade shows to amplify our brand visibility and strengthen our customer connections. These efforts have not only assisted us in showcasing our state-of-the-art products, but have also positioned us ahead of evolving market trends.

Future outlook

In the years ahead, we plan on enhancing the capacity utilisation of our new quartz unit, while ensuring maximum efficiency and productivity. As we are cognisant of the fact that rising interest rates, higher inflation and declining consumer confidence may continue to impact demand momentum in the near term, we plan on overcoming these challenges through consistent innovation and strategic decision-making.

Gratitude

I would like to take this opportunity to thank all my colleagues, whose dedication and perseverance have been essential to our accomplishments. Additionally, I want to convey how thankful I am for our esteemed board members and Bankers for their valuable guidance and assistance. Last but not least, allow me to express my gratitude to you, dear valued shareholders, for your consistent trust and cooperation throughout our journey.

With best regards,

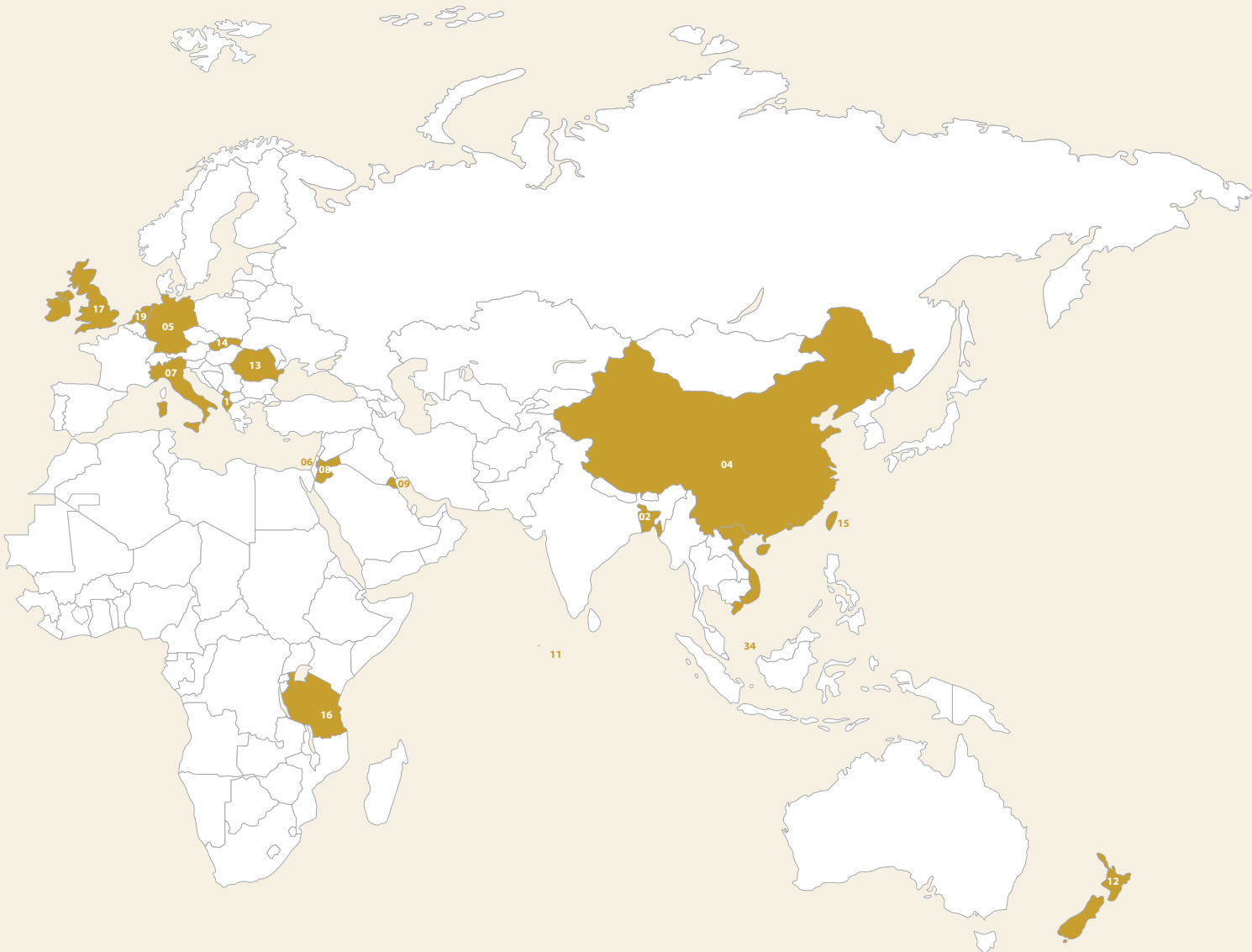
Gautam Chand Jain

Chairman & Managing Director

Our reach



*This includes Granite and Quartz business reach.



Map not to scale. Only for representation purpose

Driving manufacturing excellence

At Pokarna, we constantly invest towards embracing new technologies and processes to increase the overall efficiency and register sustainable business growth. Our fully automated production line with cutting edge technology armed with fully computer-controlled high speed polishing lines helps us to produce best-in-class products for our customers worldwide.





India's largest

Manufacturer and exporter of
quartz surfaces

Bretonstone Technology

Integrated with the new
manufacturing facility

10+

Captive Granite Quarries
located in Andhra Pradesh,
Telangana and Tamil Nadu

Two

State-of-the-art quartz
manufacturing units in
Telangana and Andhra
Pradesh

Two

State-of-the-art granite
manufacturing units in
Telangana

One

State-of-the-art apparel
manufacturing unit in
Telangana

Strengthening our market reach

Over the past three decades, we have been successful in building a strong brand name and recall in the market. To further strengthen our reach, we continue take active participation in in exhibits and trade events. We also undertake regular engagement with customer through trade shows and other programs that enables us to understand emerging requirements and fulfil customer needs.



Marmomac 2022



KBIS 2023



Pantheon

Recognitions



Board of directors



Mr. Gautam Chand Jain
Chairman & Managing Director



Mr. Mahender Chand
Independent Director



Mr. Meka Yugandhar
Independent Director



Mr. Vinayak Rao Juvvadi
Independent Director



Mr. Prakash Chand Jain
Non-Executive Director



Mr. Rahul Jain
Managing Director



Mrs. Apurva Jain
Executive Director



Dr. Jayshree Rajesh Sanghani
Independent Director



For Further Details
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Corporate information

Board of Directors

Mr. Gautam Chand Jain
Chairman & Managing Director

Mr. Mahender Chand
Independent Director

Mr. Meka Yugandhar
Independent Director

Mr. Vinayak Rao Juvvadi
Independent Director

Mr. Prakash Chand Jain
Non-Executive Director

Mr. Rahul Jain
Managing Director

Mrs. Apurva Jain
Executive Director

Dr. Jayshree Rajesh Sanghani
Independent Director

Statutory Auditors

M/s. S. Daga & Comapny
Chartered Accountants, Hyderabad

Internal Auditor

Mr. M. Murali Jaganmohan
Chartered Accountant, Hyderabad

Secretarial Auditor

Mr. K. V. Chalama Reddy
Practising Company Secretary, Hyderabad

Chief Financial Officer

Mr. M. Viswanatha Reddy

Company Secretary

Ms. Babita Chandrakar[#]
Mr. Piyush Khandelwal[%]

Listed On

Bombay Stock Exchange Limited
Scrip code : 532486
National Stock Exchange of India Limited
Symbol : POKARNA

Registrar and Share Transfer Agents

M/s. KFin Technologies Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda

Bankers

Union Bank of India, Khairatabad, Hyderabad

Registered Office

105, First Floor, Surya Towers, Sardar Patel Road Secunderabad - 500 003, Telangana State.
Tel: +91 40-27842182, 27844101, 66266777.
Fax: +91 040-2784 2121
Email: contact@pokarna.com
Website: www.pokarna.com

CIN: L14102TG1991PLC013299

Factories

Granite Division

Unit - I

Survey No.123, Tooprantpet (Village) Choutuppal (Mandal), Nalgonda (District) Telangana State.

Unit - II

Survey No. 563, 568 & 574
Aliabad Village, Shameerpet, (Mandal) R.R. District, Telangana State.

Apparel Division

Survey No: 33, 39, 50, 51, 55, 68 & 69
Apparels Export Park, Gundla Pochampally Village Medchal Mandal, R.R. District, Telangana State.

Pokarna Engineered Stone Limited

Unit - I

Plot. No: 45. APSEZ, Atchutapuram, Rambilli Mandal, Visakhapatnam District, Andhra Pradesh.

Unit-II

Sy.Nos. 221,223, Dooskal Village, Farooqnagar Mandal Sy.Nos. 901,902, 908-912, Mekaguda Gram Panchayat Nandigama Revenue Village and Mandal, Ranga Reddy District, Telangana, State.

Foot notes:

- # Ms. Babita Chandrakar ceased to be Company Secretary & Compliance Officer of the Company pursuant to his resignation w.e.f. 23rd May, 2022.
- % Mr. Piyush Khandelwal was appointed as Compliance Officer of the Company w.e.f. 9th July, 2022 and was further re-designated as Company Secretary & Compliance Officer of the Company w.e.f. 3rd August, 2022.
- % Mr. Piyush Khandelwal resigned from the post of Company secretary w.e.f. 28th February, 2023.

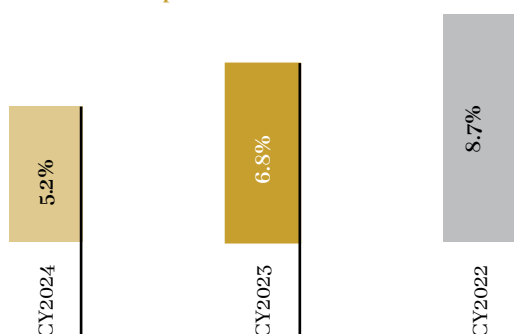
Management Discussion and Analysis

Global economic overview

In 2022, the major economies faced considerable macroeconomic challenges as a result of a geopolitical crisis in Europe and broadening inflationary pressures. Economic growth is being adversely affected by the persistent surge in interest rates by Central Banks to fight inflation and the ongoing food and energy crises in Europe. In CY*2022, growth was dented by the unexpected resurgence of COVID in China. However, the recent border openings have opened the door for a sooner-than-expected recovery. It is likely that global inflation would decelerate from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024 [Source: IMF World Economic Outlook, July 2023]. In the course of 2023, higher growth from pent-up demand in several economies or a quicker decline in inflation are anticipated.

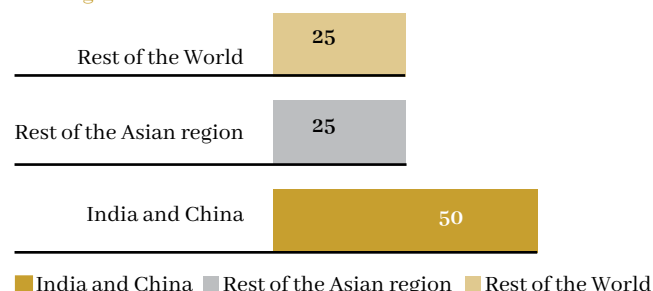
Despite the headwinds, the economy is being buoyed by an upswing in household spending and an influx of foreign capital. Amid the ongoing Russia-Ukraine conflict and the synchronised rate hikes by the Central Banks, global growth is expected to slow down to 3.0% in CY*2023, from 3.5% in CY*2022.¹ The IMF predicts that India and China will contribute more than half of the global growth in FY23.

Global inflation is expected to fall



Source- IMF, World Economic Outlook, July 2023)

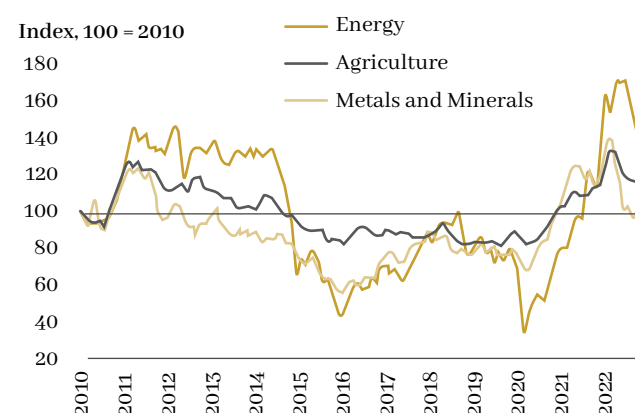
Global growth %



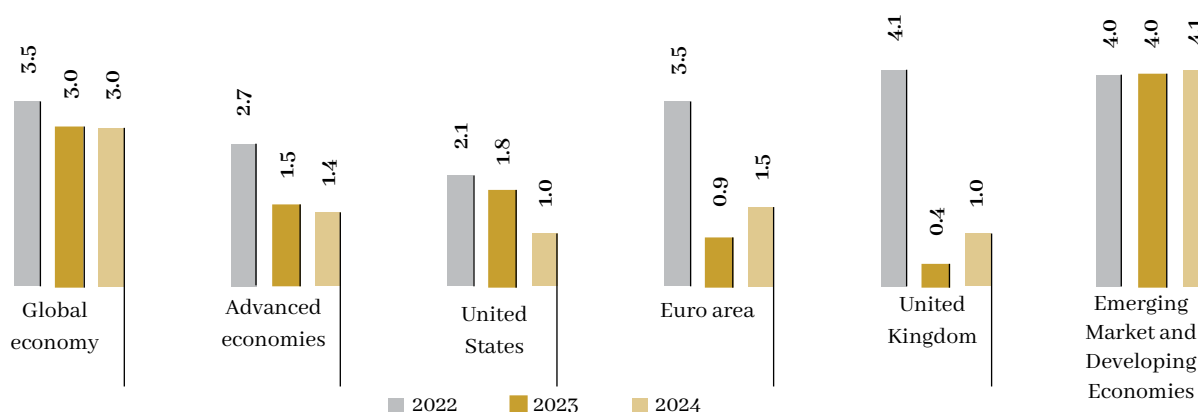
Outlook

The global economy has partially recovered following the easing of inflationary pressures. As a result, going forward, taming inflation is one of the top priorities of policymakers. Central Banks across the globe are endeavouring to strike a balance between supporting economic growth and curbing inflationary concerns. The economy's health is expected to improve with proper monetary policy regulation, the resolution of geopolitical conflicts, the mitigation of supply-chain disruptions and effective management of pandemic aftereffects.

Commodity prices



GDP growth (%)



(Source- IMF, World Economic Outlook, July 2023)

*Calendar Year - CY

¹<https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>

²<https://openknowledge.worldbank.org/server/api/core/bitstreams/254aba87-dfeb-5b5c-b00a-727d04ade275/content>

Indian economic overview

Based on the estimates of the National Statistical Office (NSO), real GDP growth is predicted to be 7.2% in FY2022–2023.⁵ According to the World Bank, India is expected to be one of the top seven emerging market and developing economies (EMDEs).⁴ The pent-up demand for contact-intensive services is a major factor in the 7.7% growth in private consumption that is anticipated for FY23. According to a sectoral analysis, the Central Government and State governments' increased capex helped fuel strong building activity, which created numerous employment opportunities. In FY23, the services sector is expected to expand by 9.1%, with contact-intensive services such as trade, hotel accommodations and transportation expected to grow by 13.7%. The growth of the financial, real estate and professional services industries is anticipated to moderate to 6.4%, possibly as a result of the slowdown in credit growth caused by rising interest rates and the slowdown in the demand for software and professional services globally.⁵

India is on track to become a USD 3 trillion economy by the conclusion of FY23. Within the next seven years, it is predicted to reach USD 7 trillion. In FY2022, the Indian rupee continued to be one of the least volatile currencies among its Asian counterparts, and it has remained remarkably resilient so far. Seasonally

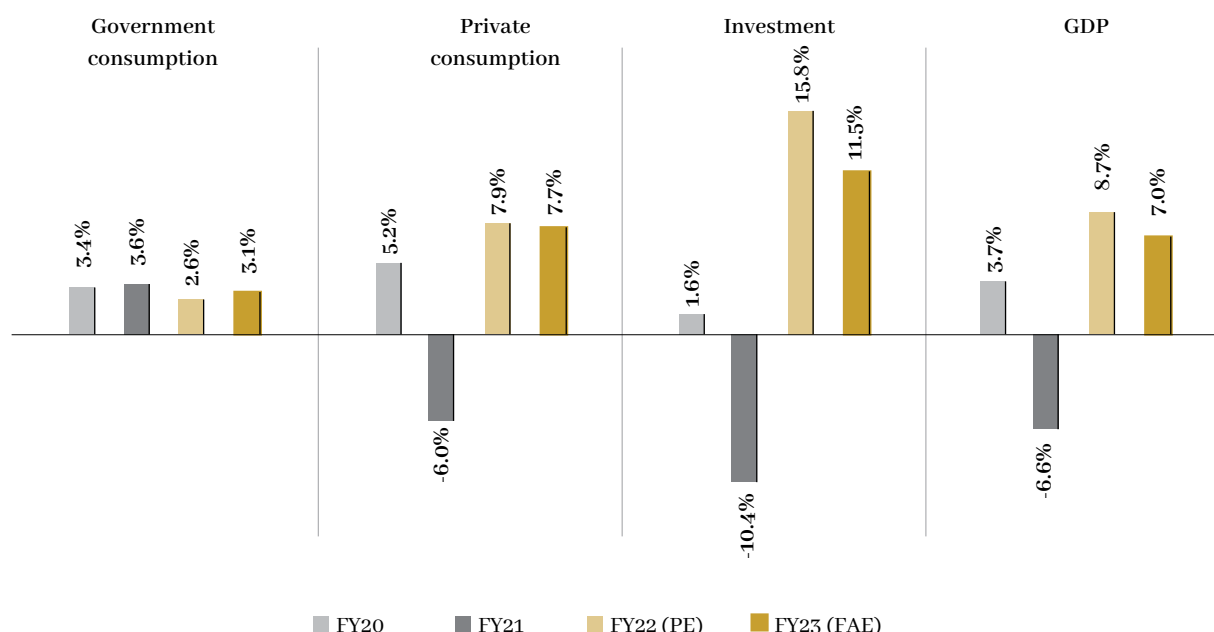
adjusted capacity utilisation rose to 74.5% in Q2 of FY2022-23, according to the RBI. On the other hand, the drag from net external demand persisted despite a decline in merchandise exports in Q3 of FY2022-23.⁶

Outlook

There are early signs that India is prepared for a greater investment upcycle in the industrial and services sectors, even though the post-COVID private investment recovery is still in its early stages. The number of ongoing private investment projects in the industrial sector has been consistently growing over time. The volume of e-way invoices generated, electronic toll collections and sustained rise in GST collections, all point to a positive trend.

Manufacturing activity continues to expand gradually, as shown by indicators including the PMI for manufacturing, the Index of Industrial Production and the Index of Core Industries (ICI). Services sector indicators (UPI transactions, high credit demand) also point to additional recovery. Overall, India's demand environment continues to be favourable for sustaining economic growth. India is confident going into the upcoming fiscal year due to its underlying and overall macroeconomic stability, but it remains vigilant about geopolitical and geoeconomic concerns.⁷

Annual growth of GDP and demand components at constant prices



Source: FAE of National Income 2022-23 by National Statistical Office, MoSPI

¹PE-Provisional estimates

⁵<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1928682>

⁴Economic Times Delhi 11/01/2023

⁵<https://www.pwc.in/assets/pdfs/budget/2023/driving-growth-union-budget-2023%E2%80%93v3.pdf>

⁶https://rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=21595

⁷<https://www.pwc.in/assets/pdfs/budget/2023/driving-growth-union-budget-2023%E2%80%93v3.pdf>

Stone industry overview

Global granite stone industry

The size of the global granite market attained a valuation of USD 17,363.02 million in the year 2021. It is projected to witness growth at a Compound Annual Growth Rate (CAGR) of 3.2%, to reach an estimated value of USD 20,978.75 million by the year 2027.⁸

In the year 2022, the global granite market encountered several challenges, including inflationary pressures in major global economies and supply chain disruptions resulting from the war in Europe. However, in spite of these global headwinds, the global granite market demonstrated significant growth.

The upsurge in demand for granite is primarily driven by its expanded usage in diverse construction applications, such as kitchen countertops, bath vanity tops, backsplashes, and bathroom sinks & basins. The enduring allure of granite for residential purposes, coupled with increased investments in construction projects, has further accelerated the market's growth trajectory.

Apart from construction applications, granite finds extensive use in sculpture and memorials, as well as in engineering and other diverse sectors. This multifaceted material's resistance to rust and its ability to retain its colour indefinitely, especially in the context of granite countertops, play pivotal roles in driving the overall market growth.

Indian granite stone industry

The Indian granite industry has garnered widespread recognition as a major player in the global stone market. Acclaimed for its diverse array of colours, remarkable durability, and intricate patterns, Indian granite commands a prominent status in both the construction and decorative domains worldwide. India stands among the leading producers and exporters of granite, making a substantial contribution to the nation's economic expansion.

The industry is predominantly concentrated in the southern states of Tamil Nadu, Karnataka, Andhra Pradesh, and Telangana, where abundant granite reserves are found. These regions have become major granite clusters with numerous quarries and processing units, fostering a competitive and thriving business environment.

During recent times, the Indian granite industry has encountered various challenges and undergone significant changes. Environmental issues, especially pertaining to sustainable quarrying methods, have spurred the government to implement more stringent regulations to mitigate the environmental impact. Granite quarrying has frequently faced criticism for its potential to induce land degradation and biodiversity loss, thereby prompting the adoption of sustainable mining practices.

The Indian granite industry has also adapted to technological advancements, with increased investment in modern machinery and processing units. This has enhanced production capabilities and improved the overall quality of finished granite products, meeting international standards and demands.

Despite its strengths, the industry has encountered obstacles like fluctuating international demand, changing global economic

conditions, and competition from other granite-producing countries. To remain competitive, Indian granite exporters are continually exploring new markets and diversifying their product offerings.

Quartz

Quartz is an important material with several functions. Sand, a necessary component of glass manufacturing, is made from tiny quartz stones. There are several uses for quartz rock crystals in electronic devices. It functions as an oscillator for radios, watches, scales and intervention of optics. Sandblasting, breaking glass and cutting delicate stones all use quartz for grating. As major silicon semiconductors are made using quartz, it is mostly employed in the personal computer industry. The expanding sales of various electronic gadgets, such as tablets, phones, desktop computers and laptops, have raised the demand for semiconductors. The global quartz market was worth USD 7.2 billion in CY2022. By CY2028, the market is expected to reach USD 10.4 billion, with a compound annual growth rate (CAGR) of 5.8% between CY2023 and CY2028.⁹ The rapid development of technology and the widespread use of quartz crystals in the construction of frequency filters, controllers and timers in electronic circuits are fuelling growth in the market. Quartz is also used in the manufacturing of solar cells, which are gaining popularity as renewable energy sources. In the upcoming years, demand for quartz is anticipated to rise as solar energy usage increases. Energy-efficient lighting, such as LED bulbs, is produced using quartz and is gaining popularity as an alternative to conventional incandescent bulbs. Quartz is an important product in this industry since it is necessary for the manufacturing of concrete, tiles and other building materials. It is projected that higher infrastructure investment, particularly in emerging economies, will eventually raise the demand for quartz.

Countertop market Overview

The global demand for countertops is projected to experience a steady growth rate of 4.3% per year, reaching 711 million square meters in 2027, with an estimated value of \$54.6 billion. This growth will be driven by a surge in countertop installations in both residential and non-residential settings, as they continue to be preferred over freestanding or wall-mounted fixtures in kitchens and bathrooms. Furthermore, the demand for countertops will receive a boost from the increasing trend of residential remodelling, where countertop replacement remains one of the most popular and sought-after methods to upgrade kitchens and bathrooms. As a result, the countertop market is expected to witness significant advancements, driven by the demand for improved aesthetics and functionality in various living and commercial spaces. Despite the positive growth outlook for the countertop market, there are certain factors that may restrain further gains. Weak new housing outlooks in key regions such as the US, China, Japan, South Korea, and Europe are expected to limit the expansion of the market. Furthermore, there is a possibility of a deceleration in the global market value through 2027. This is primarily attributed to the unusually high price levels experienced in 2022, which were influenced by inflationary pressures. As a result, the countertop market may face challenges in sustaining the same rate of growth as in previous years.

⁸<https://www.digitaljournal.com/pr/news/granite-market-size-share-growth-statistics-by-top-key-players-classic-marble-company-pvt-ltd-regatta-granites-india-rk-marble>

⁹<https://www.thedollarbusiness.com/magazine/granite---leaving-no-stone-unturned-really-/35234>

Outlook for Granite and Quartz Surface

The projected growth of global demand for engineered stone countertops is estimated at a robust 9.3% per year, reaching 128 million square meters by 2027. Engineered stone has experienced rapid expansion in its share of the global countertop market, rising from 7% of sales in 2012 to 14% in 2022. Its popularity has soared, particularly in the large US market, owing to its appealing aesthetics, durability, and ease of maintenance in comparison to natural stone. This has positioned engineered stone as the most preferred countertop material in the US. The continued strong sales increases and increasing market share can be attributed to several factors:

- A growing variety of colours in line with current design trends sourced from both domestic and foreign suppliers, offering consumers a wide range of options to suit their preferences.
- The increased availability of non-Breton equipment, mainly manufactured in China, which has allowed producers to significantly enhance their production capacity.
- The abundance of low-cost quartz slabs from the Asia/Pacific region, Africa/Mideast region and other locations has made engineered stone production more cost-effective, further driving its popularity.
- The establishment of broader distribution networks for engineered stone has made these countertops more accessible and widely available, contributing to their growing demand.

In 2022, North America accounted for the largest share, representing 35% of global engineered stone countertop demand. The demand for engineered stone is anticipated to experience robust growth through 2027, surpassing both laminate and granite to become the second most popular countertop product globally.

As a company, our products are widely used as countertops in residential kitchens, and our sales are closely linked to home renovation and remodelling projects, as well as new residential construction in the United States. However, during the middle of FY 23, the U.S. housing market faced challenges due to rising interest rates and high inflation, which affected household budgets. Consequently, there was an oversupply of new and resale homes, an increase in foreclosures, and reduced consumer demand for new homes, resulting in lower construction levels and decreased demand for our products. Moreover, U.S. importers reacted swiftly to shipping congestion and increased consumer demand last year, leading to the importation of excessive product quantities. As a result, our U.S. importers now face the issue of surplus inventory, necessitating effective inventory management strategies.

Currently, the countertop industry is going through a cyclical downturn, mainly due to factors like higher interest rates, persistent inflation, and decreased consumer confidence. Given the complexity of economic cycles and the varying conditions worldwide, accurately predicting their depth and duration poses challenges. As we look ahead, we anticipate subdued sales in FY 2024, with the impact on new home construction and remodelling expected to persist until macroeconomic conditions improve. In our view, demand for our industry's products does not disappear during these cycles; it is deferred.

India's textile industry

India's textile and apparel market is expected to reach USD 250 billion by 2025-26.¹⁰ The domestic apparel and textile industry in India accounts for approximately 2% of the country's GDP and 7% of the industry output in value terms.¹¹ India's technical textiles segment is estimated to be valued at USD 16 billion, or approximately 6% of the global market. The second-largest employer in India is the textile and apparel industry, directly employing about 45 million people and indirectly offering employment to 100 million people across all consolidated industries.¹² The industry contributes 5% to international trade and 13% of the country's total export earnings, with a target of USD 100 billion in exports by FY2025.¹³ India is one of the top producers and exporters of textiles and apparel globally, mainly to the United States, the United Kingdom and the United Arab Emirates.

India is the world's top producer of cotton, jute and silk, as well as the second-largest producer of silk, but it needs to produce more performance-based man-made fibres and fabrics (MMFs), which are in higher demand due to changing lifestyles and rising disposable incomes. These MMFs have advantages in terms of cost savings, versatility, durability and consistency. Although it is the world's second-largest producer of viscose and polyester, the country still trails China in the export of MMF fabrics and is yet to capture a sizable portion of the high-end markets. Moreover, the broadening inflationary pressures have resulted in a demand slowdown and have affected exports from the domestic textile market. Along with a favourable operating environment, a lower cost of production and consistent investments in textiles and readymade garments have opened up employment opportunities in this space. The country is, therefore, making significant progress in providing a source of livelihood to a large number of people, especially in rural areas. Moreover, government initiatives such as investment in the National Technical Textiles Mission (NTTM), revamping of the technical textile industry in India and impetus for the PLI (Production Linked Incentive) scheme are helping states adopt affordable infrastructure for textile manufacturing.

¹⁰<https://www.hindustantimes.com/india-news/india-aims-to-raise-exports-of-technical-textiles-from-2-bn-to-10-bn-in-3-years-goyal-101636129096914.html>

¹¹<https://www.investindia.gov.in/sector/textiles-apparel>

¹²<https://www.investindia.gov.in/team-india-blogs/new-india-becoming-next-gen-global-textiles-manufacturing-and-sourcing-hub>

¹³<https://www.investindia.gov.in/team-india-blogs/new-india-becoming-next-gen-global-textiles-manufacturing-and-sourcing-hub>

Outlook

In the upcoming years, there will be a plethora of investment opportunities in India's textile industry. The industry may gain considerable momentum, especially with the highly anticipated announcement of PM-MITRA parks in the years ahead. These parks will offer fantastic investment opportunities, including those for master developers and anchor investors, in addition to a wide range of ancillary activities in and around the parks as well. Additionally, the Central and State governments might work together to make India a leading textile investment destination. The growing demand for technical textiles, such as medical textiles, protective clothing and geotextiles, is driving growth in India's textile industry. India's textile businesses can now capitalise on new possibilities to diversify their product offerings and widen their customer bases. In 2023 and beyond, new prospects for India's textile companies are anticipated to arise as a result of the government's focus on enhancing domestic manufacturing and exports.

Company overview and business

PL supplies both raw and processed granite, with raw granite blocks being exported to China and a majority of its finished granite products being directed to the United States. The Company operates two granite processing units in the Hyderabad region,

along with quarrying operations in Telangana, Andhra Pradesh, and Tamil Nadu. Additionally, PL has a retail division for the STANZA brand and engages in clothing production under the same name.

PESL, being a prominent global producer of premium quartz surfaces, operates in a diverse market characterised by various companies ranging from small privately-owned enterprises to vast multinational conglomerates. The key strategies for maintaining competitiveness in this industry encompass product innovation, design excellence, superior quality, competitive pricing, advanced performance technology, and exemplary customer service.

The Company endeavours to establish its quartz surface as unique in the market by crafting distinctive products with premium features and a superior value proposition. The Company's competitive edge lies in its capacity to vie based on performance, quality, style, and service, rather than merely relying on pricing. This advantage is bolstered by PESL's investments in cutting-edge production technology and the strategic allocation of marketing resources.

PESL will proceed with the expansion of production at its newly established facility, enabling increased volumes and improved efficiency. Harnessing the full potential of this unit, both presently and in the long term, the Company anticipates bolstering its strength, diversifying its operations, and enhancing profitability.

Financial performance

This section's details concern the financial outcomes for the fiscal year that ended on March 31, 2023. The financial statements of the Company and its subsidiaries have been prepared in accordance with the Companies (Indian Accounting Standards) Rules and the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013, as amended from time to time. Key financial indicators are summarised in the table below.

INR in Crores (Consolidated)

Particulars	2022-23	2021-22	YoY change (in %)
Consolidated Revenue	727.99	650.19	12%
Consolidated EBITDA	180.99	181.62	-0.34%
Consolidated PAT	65.81	78.30	-16%
Net Worth	506.08	442.45	14%

Key Financial Ratios of Pokarna limited (standalone):


Particulars	2022-23	2021-22	YoY change (in %)
Debtors Turnover (Days)	51	49	4%
Inventory Turnover (Days)	388	338	15%
Interest Coverage Ratio	1.05	1.09	-4%
Current Ratio	1.22	1.15	6%
Debt equity ratio	0.16	0.17	-6%
Operating profit Margin (%)	8%	7%	14%
EBITDA margin (%)	21%	20%	5%
Net Profit Margin (%)	1.22%	0.12%	917%
Return on Net Worth (%)	0.58%	0.07%	729%

Risk management

The quarrying sector faces a variety of internal and external headwinds. In order to reduce losses, the Company's complete risk management strategy focuses on quickly recognising potential risks, evaluating their impact and attempting to mitigate their effects.

RISK	Description	Mitigation
 Production and sales risk	The Company runs the risk of incurring losses unless and until the quarries reach a level of development that enables the production of commercially significant volumes of material, generating adequate revenues to sustain ongoing operations.	The Company implements risk mitigation measures by adhering to an approved business plan and predefined targets. Furthermore, it exercises stringent control over working capital, employing robust budgeting and cost control processes.
 Operational risk	The quarrying operations of the Company are susceptible to inherent hazards and subsoil risks, encompassing both anticipated and unforeseen impacts and challenges arising from the underground geological conditions.	The Company actively mitigates these risks by implementing rigorous health and safety training protocols. A zero-tolerance approach towards safety incidents is ingrained throughout all levels of operations. Moreover, any noteworthy incidents on-site necessitate reporting to the Board of Directors. Trained personnel are utilised to address and minimise other operational risks.
 Quarry development risk	A number of the Company's quarries and pits are currently in the initial stages of development. Consequently, there is no guarantee that the colour, texture, quality, and other attributes of the granite slabs processed and blocks mined from these quarries will align consistently with the material extracted thus far. In the event that the granite blocks extracted exhibit lower quality than anticipated, it may lead to reduced demand and a lower realisable price than expected.	The Company employs effective risk mitigation measures by employing extensively trained quarry personnel and geologists. Additionally, it conducts comprehensive evaluations of the resource, which may involve drilling, technical surveys, and third-party reviews when deemed necessary.
 Breaches in information/IT security	Similar to numerous other organisations, the Company's dependency on computers and network technology is on the rise. Consequently, any cybersecurity breach possesses the potential to significantly impact business operations.	The Company has established standard operating procedures for information and IT security. Well-defined IT security policies and procedures are implemented, and an IT system is deployed to monitor logical access controls.
 Environmental risks and hazards	The Company's quarrying activities are subject to compliance with environmental regulations. Environmental legislation is continuously evolving, potentially leading to the imposition of more rigorous standards, enhanced enforcement measures, escalated fines, and penalties for non-compliance. Moreover, there may be a heightened demand for stringent environmental assessments of proposed projects, placing greater responsibility on companies and their officers, directors, and employees.	The company has developed policies and procedures to ensure that environmental standards are met in excess of current local legislation. It continues to monitor evolving standards within each of its operating environments and takes appropriate action accordingly.
 Currency exchange rate fluctuations	The Company derives a significant portion of its income from exports. It maintains foreign currency loans and procures some of its raw materials and a substantial portion of consumables and capital equipment through imports. Consequently, any fluctuations in currency exchange rates would potentially have an impact on the Company's performance.	The Company mitigates these risks by refraining from engaging in forex speculation. The audit committee periodically reviews forex-related matters and offers appropriate recommendations as required by the business, adhering to the overall framework of the Company's forex policy.

RISK	Description	Mitigation
 Community relations	<p>The ongoing prosperity of the Company's current operations and upcoming projects relies, in part, on garnering broad support and fostering positive relationships with the respective local communities. Failure to identify and effectively address local concerns and expectations could have adverse consequences on the Company's reputation and its social license to operate and expand.</p>	<p>The Company employs risk mitigation strategies by conducting regular engagements with all local communities, with the aim of establishing relationships founded on trust and mutual benefit. A key priority is obtaining local consent before accessing resources or commencing work. The Company endeavours to identify and mitigate potential adverse operational impacts and risks through responsible conduct, characterised by transparency and ethical behaviour, encouraging dialogue, and fulfilling commitments to stakeholders. The corporate social responsibility (CSR) committee, under the purview of the Board, determines the focus areas, budget, and programs for all CSR activities to be undertaken.</p>
 Operational turnaround of apparel business	<p>The apparel division's losses have an impact on the overall profitability of the Company.</p>	<p>The Company is making dedicated efforts to enhance the performance of this business and achieve operational profitability.</p>
 People	<p>The Company recognises that its ongoing pursuit of growth and operational efficiency will impose substantial demands on its management resources. The presence of a highly skilled workforce and an experienced management team is crucial for sustaining current operations, executing development projects, and attaining long-term growth objectives.</p>	<p>The Company intends to make strategic investments in initiatives aimed at expanding its talent pool. Its performance management system has been meticulously crafted to offer attractive reward and remuneration structures, along with personal development opportunities, with the objective of attracting and retaining key employees.</p>
 Financial risk	<p>PESL's capital expenditure (capex) plans encompass various strategic initiatives, such as expansion, productivity enhancement, technology upgrades, optimisation of operating efficiency, and maintenance or replacement of existing facilities and equipment. However, an excessive ratio of capital expenditures to revenues could potentially create financial strain for the Company.</p>	<p>The Company holds the belief that its capital resources will prove sufficient to address the current projected operating requirements, capital expenditures, and other cash obligations. Furthermore, the Company has a commendable track record of maintaining positive relations with banks and successfully raising borrowings in recent years. Necessary measures have been taken to ensure that the construction and operation timelines for the capital expenditure projects adhere to the prescribed time limits.</p>
 Trade restrictions	<p>A significant portion of the Company's products are exported to the US. The Company's financial performance relies on uninterrupted access to the US markets. However, the presence of tariffs and other trade barriers that limit or impede access pose an ongoing risk to the Company.</p>	<p>The Company intends to implement risk mitigation strategies by diversifying its presence into alternative markets and reinforcing its position in non-US markets where it already operates.</p>
 Trade credit	<p>The Company's trade agreements with specific customers involve offering short-term credit. As a result, the Company is exposed to credit risk for a portion of its sales.</p>	<p>The Company employs risk mitigation strategies by conducting individual assessments of customer credit limits and implementing rigorous credit monitoring procedures, closely tracking the aging of outstanding balances.</p>

RISK	Description	Mitigation
 Silicosis	<p>During recent times, the quartz surfaces and natural stone countertop industry has seen an increased acknowledgment of the health hazards associated with respirable crystalline silica exposure for workers. Individuals engaged in various processes such as manufacturing, cutting, fabricating, finishing, and installing quartz and stone countertops are deemed at risk. In response to this concern, several local regulatory bodies have taken proactive steps by issuing safety alerts and implementing new regulations to safeguard the well-being of workers in this sector. These measures aim to ensure the proper handling of materials and reduce the risks associated with respirable crystalline silica exposure in the workplace. Given these developments, the possibility of changes in laws and regulations pertaining to the hazards associated with quartz surfaces or the content of respirable crystalline silica in quartz surfaces has become a matter of concern. If such changes occur, they could have substantial implications for our operations and products, necessitating adjustments to ensure compliance and mitigate any potential adverse effects.</p>	<p>As a responsible company, we place a high priority on staying up-to-date with regulatory developments, particularly concerning the health and safety of our workforce and those involved in processing our products. We are fully committed to ensuring compliance with all relevant laws and regulations. In response to the concerns related to respirable crystalline silica exposure, we have taken proactive measures to develop low respirable crystalline silica products. Our readiness with these low respirable crystalline silica products demonstrates our commitment to mitigating any potential adverse effects and ensuring the well-being of everyone involved in the production and use of our materials. We will continue to invest in research and innovation to uphold our dedication to safety and compliance.</p>

Internal control and adequacy

The scope of the internal audit function is established each year. To maintain the Audit Committee's independence and objectivity in its activities, the Internal Audit Department reports directly to the Committee. Based on the internal audit function's reports, process owners make corrections in their own areas. Important audit findings and suggested corrective measures are communicated to the Board's Audit Committee. In accordance with Section 134(5)(e) of the Act, the Company has developed and implemented a process-driven framework for internal financial controls (hereafter, 'IFC'). There are no significant flaws, and the business's IFC is robust in comparison to the scale and complexity of its commercial operations. Strong policies and procedures are in place at the Company that, among other things, ensure that business is conducted with integrity, assets are protected, reliable financial information is prepared on time, accounting records are accurate and complete, and fraud as well as other errors are prevented and detected promptly.

Human resource

The Company acknowledges its people as its most valuable assets. Pokarna, one of the most recognisable businesses in the granite industry emphasises on the need to assemble a team of skilled workers that are capable of handling a wide range of competencies. The Firm also embraced best practices and established Standard

Operating Procedures (SOPs) for the majority of functions to increase operational efficiency and consistency across processes. The Company encourages skill-building activities so they can become knowledgeable in a range of job-specific duties. This encourages a learning atmosphere and promotes the growth of the Company as well as its people. Also, fostering people-engagement at the workplace helps the Company sustain its long-term growth.

Cautionary statement

Certain statements in this report about potential future developments could be forward-looking statements. These involve known and unknown risks and uncertainties that could materially affect actual results. Along with the aforementioned macroenvironmental changes, a global pandemic such as COVID may present unanticipated, unprecedented, unascertainable and ongoing risk(s) to the Company and the environment in which it operates, among other things. Certain facts and figures in the report were determined using the outcomes of these assumptions, which were based on available internal and external information. The estimates on which they are based are also subject to change because the variables supporting these assumptions are dynamic. Any forward-looking statement made here only reflects the Company's intentions, beliefs, or current expectations, and only as of the date on which it was made. The Company disclaims any obligation to alter or update any forward-looking statements, whether as a result of new data, unexpected developments, or other factors.

¹<https://www.freedoniagroup.com/industry-study/global-countertops-3836.htm>

ⁱⁱ<https://www.freedoniagroup.com/press-releases/engineered-stone-demand-to-grow-9.3-annually-through-2027>

Notice of the Thirty-Second Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 32ND ANNUAL GENERAL MEETING OF THE MEMBERS OF POKARNA LIMITED (THE COMPANY) WILL BE HELD ON MONDAY, 18TH SEPTEMBER, 2023 AT 11:00 A.M IST THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

Ordinary Business

1. To receive, consider and adopt:

- (a) the Audited Standalone Financial Statements of the Company consisting of the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors report thereon;

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

"RESOLVED THAT the audited Standalone financial statements of the Company consisting of the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors report, as circulated to the Members, be and are hereby considered and adopted."

- (b) the Audited Consolidated Financial Statements of the Company consisting of the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the Auditors' Report thereon;

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

"RESOLVED THAT the audited Consolidated financial statements of the Company consisting of the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors report, as circulated to the Members, be and are hereby considered and adopted."

2. To declare dividend on equity shares for the financial year 2022-23

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

"RESOLVED THAT a dividend at the rate of Rs. 0.60 per equity share of Rs 2 each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2023."

3. To appoint a director in place of f Mr. Prakash Chand Jain (DIN: 00084490), who retires by rotation and being eligible, offers himself for re-appointment :

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Prakash Chand Jain (DIN: 00084490), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

Special Business

4. To consider and approve the Re-appointment of Ms. Apurva Jain (DIN: 06933924) as Executive Director :

To consider and, if thought fit, to pass the following resolution as **Special Resolution**:-

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of SEBI (Listing Obligation and Disclosure Requirements), 2015, if any, as amended from time to time, the consent of the members be and is hereby accorded for the re-appointment of Ms. Apurva Jain (DIN: 06933924) as an Executive Director of the Company, for a period of 5 years from the expiry of her present term of office, i.e., with effect from August 9, 2024 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of her re-appointment), with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration appointment in such manner as may be agreed to between the Board of Directors and Ms. Apurva Jain."

"RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board of Directors

For Pokarna Limited

Disha Jindal

ACS 65058

Company Secretary

Date: 25th May, 2023

Place: Hyderabad

Name: POKARNA LIMITED

CIN: L14102TG1991PLC013299

Registered office address:

1ST FLOOR, 105, SURYA TOWERS,
SECUNDERABAD. A.P TG 500003 IN

Notes and Shareholder Information:

- In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 and Circular No. 10/2022 dated 28th December, 2022 (collectively referred to as "MCA Circulars"). Thus, the Thirty Second Annual General Meeting will be held through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of the Members at a common venue. Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the MCA Circulars and SEBI Circulars, the Annual General Meeting of the members of the Company is being held through VC / OAVM (hereinafter referred to as "AGM" or "e-AGM"). The registered office of the Company shall be deemed to be the venue for the e-AGM.
- Since the ensuing AGM is being held pursuant to the MCA Circulars through VC/OAVM which does not require physical attendance of Members at the AGM, the facility to appoint proxy by the Members will not be available for this AGM and therefore, Proxy Form and Attendance Slip are not annexed to this Notice.
- Since AGM will be held through VC/OAVM, the Route Map is not required and hence, not annexed to this Notice.
- Members are requested to carefully read the "Procedure for joining the AGM through VC/OAVM" given in this Notice.
- Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- Only those members, who are present in the meeting through VC/OAVM facility and have not casted their vote on resolutions through remote e-voting and are otherwise not barred from doing so, will be allowed to vote through e-voting system at the AGM ("InstaPoll").
- Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote via. remote e-voting. The said resolution/authorization shall be sent by email from through the registered email address to KFin Technologies Limited (KFin/RTA) at evoting@kfintech.com and to the Company at igrc@pokarna.com.
- All investor related communication may be addressed to KFin at the following address:

KFin Technologies Limited
Unit: Pokarna Limited
Selenium Tower B Plot No. 31 & 32
Gachibowli, Financial District,
Nanakramguda Serilingampally Mandal
Hyderabad – 500 032
Toll free number - 1800-309-4001
E-mail: einward.ris@Kfintech.com
Website: www.kfintech.com
- In compliance with above mentioned circulars of MCA the Notice calling this AGM along with the Annual Report for FY 23 is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Depository Participants or the Company's RTA. Members may kindly note that the Notice of AGM and Annual Report for FY 23 will also be available on the Company's website viz. www.pokarna.com and website of the stock exchanges i.e. BSE Limited and

National Stock Exchange of India Limited (www.bseindia.com and www.nseindia.com).

10. In order to enable the Company to comply with MCA circulars issued for holding AGM via VC/OAVM and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) and in respect of shares held in physical form, the shareholder can be sent an email to evoting@kfintech.com for getting the password to the RTA with details of folio number and self-attested copy of PAN card at KFin Technologies Limited, Unit: Pokarna Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 or by sending email to einward.ris@kfintech.com. Members are advised to receive the Notice convening the AGM and Annual Report for FY-23 via e-mail, by updating their email id by sending KYC forms to KFin Technologies Limited, Unit: Pokarna Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 or by sending email to einward.ris@kfintech.com. Notice of AGM can be downloaded through <https://evoting.kfintech.com/public/Downloads.aspx>.
11. Members holding shares in physical form can avail the facility of nomination on their shareholding pursuant to the provisions of Section 72 of the Act and for the same, they are advised to send their nomination in the prescribed Form No. SH-13 to KFin at the above-mentioned address. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
12. In terms of SEBI's circular dated April 20, 2018, members holding shares in physical form and whose PAN and Bank details are not updated in the records of KFin, are requested to submit their PAN and Bank Account details, along with self-attested copy of PAN Card and original cancelled cheque/attested copy of bank passbook bearing name of the Member to the Company/KFin.
13. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company/KFin.
14. In terms of SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, with effect from April 1, 2019, securities of listed companies can be transferred only in dematerialised form. Accordingly, the Company will not accept any fresh lodgement of transfer of shares in physical form. The members are therefore advised, in their own interest, to dematerialize the shares held by them in physical form.
15. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the

Company or Company's RTA, details of such folios together with the share certificates and KYC proof(s) viz. PAN, Aadhar etc. for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon.

16. Members are requested to send their queries, if any, on the financial statements/operations of the Company, via email to the Company Secretary at companysecretary@pokarna.com at least 7 days before the AGM, so that the information can be compiled in advance.
17. The documents referred to in this Notice are available for inspection electronically without any fee by the Members on all business days (except Saturday, Sunday and Public Holidays) upto the date of AGM. The Register of Directors, Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements, in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection electronically by the members during the AGM. Members seeking to inspect such documents may send request from their email id registered with the Company/RTA to the Company at companysecretary@pokarna.com.
18. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI LODR, the Company is providing to its members facility to exercise their right to vote on the Resolutions as set out in notice of AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting"). The facility for voting through electronic voting system will also be available during the AGM ("InstaPoll") and members attending the AGM who have not cast their vote(s) by remote e-voting, will be able to cast their vote at the meeting through InstaPoll. The Company has engaged the services of KFin as the agency to provide e-voting facility at the AGM.
19. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	From 9.00 a.m. (IST) on Friday, 15th September, 2023
End of remote e-voting	Up to 5.00 p.m. (IST) on Sunday 17th September, 2023

Remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFin upon expiry of aforesaid period.

20. Persons whose name appears in the Register of Member/list of Beneficial Owners as on 11th September, 2023 (Cut-off date) shall be entitled to cast their vote by remote e-voting on the resolutions set forth in this Notice or participating at the AGM and vote through Insta Poll. Any person who is not a Member as on the Cut-off date should treat this Notice for information purpose only.

21. The Board of Directors has appointed K.V. Chalama Reddy, Company Secretary-in-Practice (FCS No.- 9268) as Scrutinizer to scrutinize the remote e-voting and InstaPoll process in a fair and transparent manner and he has communicated his willingness to get appointed and will be available for the said purpose.
22. After conclusion of e-voting at the AGM, Scrutinizer will scrutinize the votes cast via InstaPoll and remote e-voting, and make a consolidated Scrutinizer's Report submission to the Chairman/Director.
23. The result of e-voting (remote e-voting and InstaPoll) will be declared within two working days of the conclusion of AGM and the same, along with the consolidated Scrutinizer's Report, will be placed on Company's website viz. www.pokarna.com and on the website of KFin viz. <https://evoting.kfintech.com>. The result will be simultaneously communicated to the stock exchanges viz. NSE and BSE.
24. The resolutions as set out in the notice of AGM shall be deemed to be passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolution(s).
25. Pursuant SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on "e-Voting Facility provided by Listed Entities", individual shareholders holding equity shares in dematerialised form can cast their vote, by way of single login credential, through their demat account/ websites of Depositories/ Depository Participants.
- The members are advised to update their mobile number and E-mail ID in their demat accounts in order to access e-voting facility
- The process and manner of remote e-Voting, attending AGM through VC / OAVM and e-Voting at AGM is as under:
- Procedure for Login for E-voting and Attending AGM through VC/OAVM for Individual Shareholders holding securities in Demat mode.**
- In terms of SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their Demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:

Individual shareholders holding securities in Demat mode with National Securities Depository Limited ("NSDL")

A. User already registered for IDeAS facility.

1. Open <https://eservices.nsdl.com>
2. Click on the "Beneficial Owner" icon under 'IDeAS' section.
3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"
4. Click on Bank Name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period.

B. User not registered for IDeAS e-Services.

1. To register, open <https://eservices.nsdl.com> either on a Personal Computer or on a mobile.
2. Select "Register Online for IDeAS" Portal or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.
3. Proceed with completing the required fields

C. By visiting the e-Voting website of NSDL.

1. Open <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Click on the icon "Login" which is available under 'Shareholder/Member' section
3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.
4. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.
5. Click on Bank name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")

A. Existing user who has opted for Easi/Easiest

1. Click at <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com
2. Click on New System Myeasi.
3. Login with user ID and Password
4. After successful login of Easi / Easiest, Option will be made available to reach e-voting page
5. Click on e-voting service provider name to cast your vote

B. User not registered for Easi/Easiest

1. Option to register is available at <https://web.cdslindia.com/myeasi./Registration/EasiRegistration>.
2. Proceed with completing the required fields.

C. By visiting the e-Voting website of CDSL

1. Visit at www.cdslindia.com
2. Provide Demat Account Number and PAN No.
3. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account.
4. After successful authentication, user will be provided links for the respective e-voting service provider where the e-voting is in progress.

Individual Shareholders (holding securities in Demat mode) login through their depository participants

You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.

Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Bank Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

D) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- Initial password is provided in the body of the e-mail.
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- Enter the login credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already

registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.

- After entering the correct details, click on LOGIN.
- You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at kvcr1332gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BFL_EVENT No.'
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

A. Voting at e-AGM

- i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.
- ii. Members who have voted through remote e-voting will still be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes.

Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

B. Instructions for members for attending the e-AGM

- i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.
- ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.
- iii. Further, members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.
- iv. Members may join the meeting using headphones for better sound clarity.
- v. While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' during the period starting from 13th September, 2023 (9:00 a.m.) up to 15th September, 2023 (5:00 p.m.). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.
- vii. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/>, under the "How It Works" tab placed on top of the page.

- viii. Members who need technical assistance before or during the e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.

Procedure for Registration of email and Mobile: securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

E-VOTING RESULT:

The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: www.pokarna.com and on the website of KFinTech at: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the Stock Exchanges. Subject to receipt of requisite number of votes, the

Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Monday, 18th September, 2023.

IEPF RELATED INFORMATION:

In terms of section 124(5) of the Act, dividend amount for the year ended 31st March 2016 remaining unclaimed for a period of seven years shall become due for transfer in October 2023 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF's demat account. Members who have not claimed dividends in respect of the financial years from 2015-16 onwards are requested to approach the Company/KFin for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF's demat account.

DIVIDEND RELATED INFORMATION:

The Company has fixed Monday, 11th September, 2023 as the 'Record Date' for the purpose of AGM and for determining entitlement of Members to dividend for the financial year ended March 31, 2023. The dividend for the year ended 31 March 2023 as recommended by the Board, i.e. 30% @ Rs. 0.60 (Sixty paise only) per equity share of Rs. 2/- each, if declared at the meeting, will be paid to those members whose names appear in the Company's register of members as on the Record Date. In respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. The dividend on equity shares, if declared at the meeting, will be credited / dispatched within 30 days from the date of this meeting.

Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts / cheque will be despatched to the registered address of the shareholders who have not updated their bank account details. Members holding shares in physical form are requested to notify/send any change in their address and bank account details to Registrar and Share Transfer Agents, KFinTech or the Company. Members whose shareholding is in electronic mode are requested to direct change of address notification and updates of bank account details / PAN to their respective depository participant(s). Members are encouraged to utilize Electronic Clearing System (ECS) for receiving dividends. Members are requested to address all correspondence, including on dividends, to the Registrar and Share Transfer Agents, KFin,

Unit: Pokarna Limited, Selenium Tower B,

Plot 31-32, Gachibowli, Financial District, Nanakramguda,

Hyderabad 500 032.

Under section 194 of the Income Tax Act, 1961, as amended by the Finance Act, 2020 ("Act"), dividend paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the domestic shareholders and the Company would also be required

to deduct tax at source (TDS) at the prescribed rates from the dividend paid to shareholders. Similarly in case of non-resident shareholders the Company would require to withhold tax (WHT) under section 195 / 196D of the Act. Accordingly, the Company shall be required to apply TDS / WHT at the time of making payment of the said Dividend after obtaining the approval of shareholders in the forthcoming AGM. The TDS / WHT rate would vary depending on the residential status of the shareholder and the valid documents submitted by them and accepted by the Company as explained herein below:

As per the amended provisions of Section 206AB of the Act vide Finance Act 2022, in case of non-filers of income-tax return for the preceding financial year and in whose case TDS / TCS exceeds Rs. 50000 in the said preceding financial year, the deduction of tax at source is required to be made at the higher of the following rates, namely-

- (i) at twice the rate specified in the relevant provision of the Act; or
- (ii) at twice the rate or rates in force; or
- (iii) at the rate of five per cent.

The provisions of section 206AB of the Act is applicable to the following category of persons:

- (i) Residents; and
- (ii) Non-residents having a permanent establishment in India.

For Resident Shareholders

Tax is required to be deducted at source under Section 194 of the Act @ 10% from the amount of dividend where valid PAN is available and provided to us, except for nil / lower rate of tax indicated in specific cases stated hereunder:

(A) For Resident Individuals

Income-tax will be deducted either at nil or lower rate from the dividend payable to resident individuals if –

- a. Total dividend to be received by them during Financial Year 2023-24 does not exceed INR 5,000/-, or
- b. The shareholder provides Form 15G duly signed (applicable to individual) / Form 15H duly signed (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfil the requirement of law., or
- c. The shareholder provides certificate issued by the Income-tax Department u/s. 197 of the Act for lower rate / nil rate, or
- d. The Shareholder provides Exemption certificate issued by the Income-tax Department, if any under any other provisions of the Act.

(B) For Resident Non-Individual shareholders:

Income-tax will be deducted either at nil or lower rate from the dividend payable to resident non-individual shareholders if they provide the following documents –

- a. Insurance Companies: Public & Other Insurance Companies, a declaration duly signed that it has full beneficial interest with respect to the shares owned by it along with its self attested copy of PAN
- b. Mutual Funds: Certificate of registration u/s 10(23D) of the Act issued by the appropriate authority along with its self-attested copy of PAN
- c. Alternative Investment Fund ("AIF"): Self certified copy of SEBI registration certificate that the AIF is registered under SEBI along with its self- attested copy of PAN
- d. Other Non-Individual shareholders who are holding certificate issued by the Income- tax Department u/s. 197 of the Act for lower / nil rate of tax deduction at source under provisions of Section 194 of the Act or who are covered u/s 196 of the Act, are required to submit an attested copy of the PAN along with the documentary evidence in relation to the exemption/ lower rate.

Kindly submit the declaration along with all the attachments referred to above as may be applicable latest by 11th September, 2023, so as to enable us to determine appropriate rate of TDS, if any applicable to the payment of dividend. In the absence of this declaration, the Company would be constrained to deduct tax at applicable rate as per the relevant provisions of the Income tax Act, 1961. The forms are available at www.pokarna.com for the shareholders.

Further, it may kindly be noted that recording of the Permanent Account Number (PAN) for the registered Folio/ DP id-Client Id is mandatory; failing which tax will be deducted @ 20% as provided under Section 206AA of the Act, in case payment of dividend exceeds Rs. 5000 during the financial year 2023-24.

Non-resident Shareholders:

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, the TDS on dividend shall be @ 20% or applicable rate plus applicable surcharge and health and education cess on the amount of dividend payable to the non-resident shareholders. For FII/ FPI shareholders, section 196D provides for TDS @ 20% or applicable rate plus applicable surcharge and health and education cess. However, as per section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with applicable Multilateral Instrument provisions, if they are more beneficial to them. A list of documents/ declarations required to be provided by the resident shareholders and list of documents/declarations required to claim the benefit of DTAA by the non-resident shareholders should be uploaded with KFin

Technologies Pvt Ltd., the Registrar and Transfer Agent at <https://ris.kfintech.com/form15> or e-mailed to einward.ris@kfintech.com. No communication on the tax determination/ deduction shall be entertained after 11th September, 2023.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act. In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
- For deduction of tax at source, the Company would be relying on the above data shared by KFin as updated up to the record date. It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the aforementioned details/ documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to e-mail the soft copy of the TDS certificate to shareholders at the registered e-mail id within the prescribed time, post payment of the said dividend, if declared in the AGM. The said certificate can also be viewed in Form 26AS at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the website of the Income Tax department of India <https://www.incometax.gov.in/home>. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company, and also provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

OTHER INFORMATION:

35. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / KFinTech have stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

36. Members holding shares in physical mode are:

- a. required to submit their Permanent Account Number (PAN) and bank account details to the Company / KFinTech, if not registered with the Company / KFinTech, as mandated by SEBI by writing to the Company at igrc@pokarna.com or to KFinTech at einward.ris@kfintech.com along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
- b. advised to register nomination in respect of their shareholding in the Company.

37. Members holding shares in electronic mode are:

- a. requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.
- b. advised to contact their respective DPs for registering nomination.

38. Non-Resident Indian members are requested to inform KFinTech / respective DPs, immediately of:

- a. Change in their residential status on return to India for permanent settlement.
- b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Pursuant to section 102 of the companies act, 2013 ('the act'), the following explanatory statement sets out all material facts relating to the business mentioned under item nos. 4 of the accompanying notice.

Item No.4: -To consider and approve the Re-appointment of Ms. Apurva Jain (DIN: 06933924) as Executive Director:

Ms. Apurva Jain was appointed as Executive Director of the Company for the period of 3 years commencing from 09th August,2019. The Board at its meeting held on 25th May,2023, re-appointed Mrs. Apurva Jain as Executive Director of the Company for a period of 5 years commencing from 09th August,2024 to 08th August,2029, subject to approval of the members. This reappointment was made based on the recommendation of the Nomination and Remuneration Committee ("NRC") of the Board. The Board thereafter at its meeting on 25th May,2023, based on the recommendation of the NRC, had fixed the terms of remuneration payable to Ms. Apurva Jain, subject to the approval of the members. The principal terms and conditions of Ms. Apurva Jain's re-appointment as Executive Director are as follows:

- A. **Tenure of Re- Appointment:** The re- appointment of Ms. Apurva Jain is for a period of 5 years.
- B. **Nature of Duties:** Ms. Apurva Jain shall devote her whole time and attention to the business of the Company and carry out such duties as may be entrusted to her by the Chairman & Managing Director and Board, and exercise such powers as may be assigned to her, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the business of the Company and the business of any one or more of its associated companies and /or subsidiaries , including performing duties as assigned by the Board from time to time, by serving on the Boards of such associated companies/ subsidiaries or any other executive body or a committee of such a company.
- C. **Remuneration:** So long as the Ms. Apurva Jain performs her duties, she shall, subject to such approvals as may be required, be entitled to the following remuneration, subject to deduction of tax at source of all applicable taxes in accordance with the laws for the time being in force:
 - (i) Remuneration:
 - a. Basic Salary: Rs 30,00,000 per annum (i.e. Rs 2,50,000 per month) with the authority to the Board to determine any merit-based increase from time to time.
 - b. Performance Bonus / Incentive: Annual Performance Bonus / Incentive as may be approved by the Board based on the performance criteria laid down by the Company.
 - c. Perquisites & Allowances: In addition to the Salary & Performance Bonus / Incentive, Ms. Apurva Jain shall be entitled to following perquisites and allowances: Medical Reimbursements, Club Fees, Personnel Accident & Medical Insurance, use of chauffeur

driven company car, telecommunication facilities at residence and such other perquisites and allowances in accordance with rules of the Company.

- (ii) Overall Remuneration: The aggregate remuneration in any financial year shall not exceed the limits prescribed from time to time under Sections 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may, for the time being, be in force.
- (iii) Minimum Remuneration: In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by the limits prescribed under Section II, III, IV of Part II of Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof, as may, for the time being, be in force.

She is Bachelor in Home Science and having experience of more than 6 years of experience as Corporate Executive. Having regard to her vast knowledge and experience, it would be in the interest of the company to reappoint her as an Executive Director of the Company. The Board is of the opinion that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an Executive Director.

The terms and conditions as set out herein above may be treated as written memorandum setting out the terms of reappointment of Ms. Apurva Jain under the provisions of Section 190 of the Act. The relevant particulars as required under the provisions of regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the notes to this Notice.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Act, read with Schedule V thereto, the terms of appointment and remuneration specified above are now being placed before the members for their approval.

Copy of relevant resolutions of the Board with respect to above said re-appointment is available for inspection by members at the registered office during working hours on any working day till the date of the Annual General Meeting.

Except Ms. Apurva Jain to whom the resolution relates and her relatives viz., Mr. Gautam Chand Jain, Mr. Rahul Jain and the other relatives (to the extent of their shareholding in the Company), none of the other Directors and Key Managerial Personnel are interested financially or otherwise, in the resolution at Item. No. 4 of the accompanying Notice.

Remuneration payable to her is commensurate with her abilities and experience and, accordingly, Board commends the resolution at Item No.4 of the accompanying Notice for re-appointment of Ms. Apurva Jain as Executive Director, for approval by the members.

Above as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, is detailed below and shall be read as part of this Notice:

Name	Mrs. Apurva Jain
DIN	06933924
Designation	Executive Director
Date of Birth	07.11.1984
Qualification	Bachelor of Science (Home Science).
Expertise in specific functional areas	Ms. Apurva Jain has over 10 years of experience in operations, marketing, strategy and other commercial functions. She inter alia leads the apparel business of the Company.
Shareholding of as on 31.03.2023	NIL
Number of Meetings of the Board attended during the year	4/5
Names of listed entities in which the person also holds the directorship and the membership of the committees of Board as on 31.03.2023 .	NIL
Disclosure of relationships between directors inter-se	Spouse of Mr. Rahul Jain, Managing Director and Daughter in law of Mr. Gautam Chand Jain, Chairman and Managing Director and Mr. Prakash Chand Jain, Director, brother of Mr. Gautam Chand Jain
Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn	The terms and conditions of reappointment and details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice. Remuneration last drawn is Rs.24 lakhs.

Additional information with respect to Item Nos. 3 and 4:

Disclosure pursuant to Regulation 36(3) and 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are provided below:

Item No.3: To appoint a director in place of f Mr. Prakash Chand Jain (DIN: 00084490), who retires by rotation and being eligible, offers himself for re-appointment

Name	Mr. Prakash Chand Jain
DIN	00084490
Designation	Director
Date of Birth	27.07.1959
Date of First Appointment on the Board	09/10/1991
Qualification	Bachelor of Commerce
Expertise in specific functional areas	He has over 30 years of experience in operations, marketing, strategy and other commercial functions.
Shareholding of as on 31st March, 2023	60,000
Number of Meetings of the Board attended during the year:	4/5
Names of listed entities in which the person also holds the directorship and the membership of the committees of Board.	Nil
Disclosure of relationships between directors inter-se	Brother of Mr. Gautam Chand Jain, Chairman & Managing Director and Mr. prakash Chand Jain (brother of Mr. Gautam Chand Jain) accordingly related to Mr. Rahul Jain, Managing Director (Son of Mr. Gautam Chand Jain) and Mrs. Apurva Jain Executive Director (Spouse of Mr. Rahul Jain).
Recommendation	Save and except, Mr. Prakash Chand Jain, Mr. Gautam Chand Jain, Mr. Rahul Jain and Mrs. Apurva Jain and their relatives to the extent of their shareholding interest, if any, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Members.

Item No.4: -To consider and approve the Re-appointment of Ms. Apurva Jain (DIN: 06933924) as Executive Director :

Name	Mrs. Apurva Jain
DIN	06933924
Designation	Executive Director
Date of Birth	07.11.1984
Date of First Appointment on the Board	09.08.2014
Qualification	Bachelor of Science (Home Science).
Expertise in specific functional areas	Mrs. Apurva Jain has over 10 years of experience in operations, marketing, strategy and other commercial functions. She inter alia leads the apparel business of the Company.
Shareholding of as on 31st March, 2023	NIL
Number of Meetings of the Board attended during the year:	4/5
Names of listed entities in which the person also holds the directorship and the membership of the committees of Board.	Nil
Disclosure of relationships between directors inter-se	Spouse of Mr. Rahul Jain, Managing Director and Daughter in law of Mr. Gautam Chand Jain, Chairman & Managing Director and Mr. Prakash Chand Jain brother of Mr. Gautam Chand Jain
Recommendation	Save and except, Mrs. Apurva Jain, Mr. Gautam Chand Jain, Mr. Rahul Jain and Mr. Prakash Chand Jain and their relatives to the extent of their shareholding interest, if any, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

By Order of the Board of Directors

For Pokarna Limited

Disha Jindal

ACS 65058

Company Secretary

Date: 25th May, 2023

Place: Hyderabad

Name: POKARNA LIMITED

CIN: L14102TG1991PLC013299

Registered office address

1ST FLOOR, 105, SURYA TOWERS,
SECUNDERABAD. A.P TG 500003 IN

Board's Report to Shareholder

Dear Members,

Your Directors take pleasure in presenting their 32nd Annual Report together with the annual audited consolidated and standalone financial statements for the financial year ended 31st March 2023.

Financial Highlights

*(In lacs)

Particulars	Standalone Results		Consolidated Results	
	2023	2022	2023	2022
Total Income (Operational and Other Income)	6419.67	7030.40	73932.03	65680.36
Less: Total Expenses	6396.41	6993.43	64839.75	55491.12
Profit before tax and Exceptional Items	23.26	36.97	9092.28	10189.24
Less: Tax expenses (including deferred tax)	51.19	28.58	2511.19	2359.24
Profit for the Period	74.45	8.39	6581.09	7830.00

Overview and The State of the Company Affairs

During the reporting period, the granite mining industry encountered significant challenges, primarily due to a notable slowdown in demand from China. This decline in demand had a visible impact on our export volumes and overall revenue. Additionally, the State governments implemented measures, such as heightened taxes and fees, which had adverse effects on the industry. The unexpected and substantial increase in financial burdens placed a strain on our operational costs and profitability, further complicating the challenges posed by the demand slowdown. As we navigate through these difficulties, we maintain a cautious outlook for the prospects of our granite mining business. Our Company's apparel manufacturing has been undergoing a scaling down over a period of time. This well-considered decision was aimed at reducing losses and reinforcing our overall financial standing of the Company. As we look ahead, we remain cautious for the prospects of our apparel business. We will take necessary actions as and when required.

FY 23 marked a significant milestone for Pokarna Engineered Stone Limited (PESL), as it completed its first full year of operation for Unit 2, a state-of-the-art quartz manufacturing facility and a wholly-owned subsidiary of our Company. PESL effectively tackled the challenges that come with stabilizing a new plant, including building a skilled workforce, implementing efficient processes, optimizing engineering procedures, and overcoming various obstacles. As a result, the facility is now fully stabilized and functioning smoothly. PESL's dedication to innovation has been instrumental in its recent accomplishments. Embracing advanced robotics technologies, it has introduced a range of exciting new designs in its product lineup. These cutting-edge advancements not only enhance its manufacturing capabilities but also offer customers a wider selection of top-quality products to choose

from. With a firm focus on staying at the forefront of technology and continuous improvement, PESL remains confident in the potential of its new state-of-the-art facility and commitment to innovation to drive success in meeting the evolving demands of the market. As we move forward, we believe that PESL's prowess in both manufacturing excellence and innovation will play a pivotal role in shaping its position as a leading player in the industry.

The countertop industry is currently facing a cyclical downturn, primarily attributed to higher interest rates, ongoing inflation, and decreased consumer confidence. Accurately forecasting the extent and duration of economic cycles presents challenges due to the intricate nature of global conditions. As we look to the future, PESL foresees lower sales in FY 2024, with the effects on new home construction and remodelling anticipated to persist until macroeconomic conditions improve. Despite these challenges, we firmly believe that the demand for our industry's products remains resilient even during economic downturns; it is merely deferred to more favourable times. Our commitment to quality, innovation, and customer satisfaction positions us well to navigate through these cyclical fluctuations and emerge stronger once market conditions stabilize.

Dividend

The Directors are pleased to recommend the dividend of Rs 0.60 per equity share for the financial year ended 31st March 2023. The dividend is subject to the approval of the Members at the Annual General Meeting ("AGM") scheduled on 18th September, 2023.

The Register of Members and Share Transfer Books will remain closed from 12th day of September, 2023 to 18th day of September, 2023 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31st March 2023 and the AGM.

Dividend Distribution Policy

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, your Company has adopted a Dividend Distribution Policy formulated by the Board specifying the financial parameters, factors and circumstances to be considered in determining the distribution of dividend to shareholders and/or retaining profits earned by the Company. The policy aims to protect the interest of investors by ensuring transparency.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, is available on the Company's website on www.pokarna.com

Transfer to Reserves

No amount is proposed for transfer to the general reserve.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year under review. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (b) that they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied their recommendations consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

- (f) a proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Subsidiaries, Associates and Joint Venture Companies

As on March 31, 2023, your Company had 2 subsidiaries out of which One is wholly owned subsidiary and One is subsidiary company which is Non Profit Organization.

Consolidated Financial Statements presented by the Company include the financial information of Pokarna Engineered Stone Limited ("PESL"), the wholly owned subsidiary company. There has been no material change in the nature of the business of PESL. As per the requirement of Section 129(3) of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of the subsidiary in prescribed Form AOC-1 is attached to the financial statements of the Company. The Audited Accounts of PESL will be available on the website of the Company - www.pokarna.com.

During the financial year under review, PESL registered revenue of Rs 67836.78 lakhs as against Rs 58708.07 Lakhs in the previous year, thereby registering a growth of 15%. EBITDA for the year under review was Rs 17080.81 Lakhs as against Rs 16837.61 Lakhs in the previous year. The Comprehensive Income for the year 31st March 2023 decreased to Rs 6780.31 lakhs, showing a decline of 14%.

Pokarna Engineered Stone Limited ("PESL") was selected by the U.S. Department of Commerce ("USDOC") as a "mandatory respondent" first administrative review of the Antidumping duty ("ADD") Order on the imports of quartz surface products from India and as a result, PESL's ADD assessment rate for the first review period has reduced to 0% from 0.33% and also the ADD cash deposit has reduced to 0% with effect from January 9, 2023.

The second administrative ADD review is ongoing whose preliminary results are expected in June 2023. With regard to CVD review, all parties have withdrawn the review request of the first as well as second CVD review, hence the CVD duty of 2.34% as determined in investigation period is final CVD assessment rate for entries of the first as well as second review period.

There is no impact on the financials of the company.

The Company does not have any Associate or Joint Venture Companies. Further, the Company's policy on determining the material subsidiaries, as approved by the Board is uploaded on the website of the Company - www.pokarna.com

Corporate Governance

The Directors reaffirm their commitment to good corporate governance practices. During the year under review, the Company was in compliance with the provisions relating to corporate governance as provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). A detailed report on corporate governance as required under the Listing Regulations is provided in a separate section and forms part of the Annual Report.

The certificate on compliance with the conditions of corporate governance of the Listing Regulations is given in Annexure, to this Report. In terms of the Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from Mr. Gautam Chand Jain, Chairman & Managing Director and Mr. M. Vishwanatha Reddy, Chief Financial Officer, for the financial year 2022-23 with regard to the financial statements and other matters. The said certificate forms part of the report on Corporate Governance.

Management Discussion & Analysis Report

Management's Discussion & Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report (BRSR) of your Company for the financial year 2022-23 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporate Social Responsibility

The Company has a Policy on Corporate Social Responsibility and the same has been posted on the website of the Company – www.pokarna.com. The Annual Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure-I**, which forms part of this Report. However, during the year under review, the provisions of Corporate Social Responsibility were not applicable to the Company in pursuance to Section 135(1) of the Companies Act, 2013.

Board of Directors and Key Managerial Personnel

Your Company is managed and controlled by a Board comprising an optimum blend of Executive and Non-Executive Directors. As on 31st March 2023, the Board of Directors consists of eight (8) Directors consisting of Chairman & Managing Director, Managing Director, Executive Director and five (5) Non-executive Directors, out of which four (4) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the relevant provisions of the Companies Act, 2013.

Retirement by rotation and subsequent re-appointment.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Prakash Chand Jain (DIN: 00084490), Director of the Company, retires by rotation at this Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. Brief details of Mr. Prakash Chand Jain (DIN: 00084490) are given in the notice of annual general meeting.

Re-appointment of Executive Director

Ms. Apurva Jain was appointed as Executive Director of the Company for the period of 3 years commencing from 09th August, 2019. The Board on the recommendation of NRC, at its meeting held on 25th May, 2023, re-appointed Mrs. Apurva Jain as Executive Director of the Company for a period of 5 years commencing from 09th August, 2024 to 08th August, 2029, subject to the approval of shareholders. A resolution seeking Members' approval for her re-appointment forms part of the Notice of the ensuing Annual General Meeting.

Appointment of Company Secretary

During the year under review, Mrs. Babita Chandrakar resigned as Company Secretary of the Company w.e.f. 23.05.2022 and Mr. Piyush Khandelwal was appointed as Company Secretary w.e.f. 03.08.2022. Further, Mr. Piyush Khandelwal also resigned from the post of company secretary w.e.f. 28th February, 2023. The Board places on record its appreciation for services provided by Mrs. Babita Chandrakar and Mr. Piyush Khandelwal during their stint with the Company as Company Secretary.

Further during the Financial Year 2023-24, Ms. Disha Jindal is appointed as Company secretary and compliance officer of the Company w.e.f. 25th May, 2023.

There was no other change in the Directors and Key Managerial Personnel during the year under review since the last report.

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1)(b) 'the Listing Regulations'. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees.

Mr. Gautam Chand Jain, Chairman & Managing Director, Mr. Rahul Jain, Managing Director, Mr. M. Vishwanatha Reddy, Chief Financial Officer and Mr. Piyush Khandelwal Company Secretary are the Key Managerial Personnel (KMP) within the meaning of Section 2(51) read with Section 203(1) of the Act.

Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an evaluation of its own performance, Committees, and performance of individual Directors. The performance of the Board, Committees, and individual directors was evaluated by seeking inputs from all Directors. The performance of the individual Directors, including Independent Directors performance and role of the Board / Committees were also discussed at the Board Meeting.

Committees of The Board

Audit Committee

The Audit Committee comprises of Mr. Meka Yugandhar, Mr. Vinayak Rao Juvvadi and Mr. Mahender Chand, all Independent Directors. Further, details relating to the Audit Committee are provided in the Corporate Governance Report forming part of this Annual Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") comprises Mr. Mahender Chand Jain, Mr. Meka Yugandhar, Mr. Vinayak Rao Juvvadi and Mr. Prakash Chand Jain. Further, details relating to the NRC are provided in the Corporate Governance Report forming part of this Annual Report.

Stakeholder Relationship Committee

The Stakeholder Relationship Committee ("SRC") comprises of Mr. Meka Yugandhar, Mr. Mahender Chand, Independent Directors (appointed as on 28.01.2022) and Mr. Rahul Jain, Managing Director. Further, details relating to the SRC are provided in the Corporate Governance Report forming part of this Annual Report.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee ("CSRC") comprises of Mr. Meka Yugandhar, Mr. Vinayak Rao Juvvadi, Dr. Jayshree Rajesh Sanghani, Independent Directors, Mr. Gautam Chand Jain, Chairman and Managing Director and Mrs. Apurva Jain, Executive Director. Further, details relating to the CSRC are provided in the Corporate Governance Report forming part of this Annual Report.

Risk Management Committee

Pursuant to Regulation 21 of SEBI (Listing Obligation and Disclosure Requirement) (Second Amendment) Regulation, 2021, the Company constituted Risk Management Committee comprising of Mr. Mahender Chand, Mr. Vinayak Rao Juvvadi, Independent Directors and Mr. Rahul Jain, Managing Director of the Company.

Risk Management Policy

Risk management is integral to your Company's strategy and for the achievement of our long-term goals. The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits. The Company has framed and put in place a Risk Management policy to mitigate the risks, both internal and external, which the Company is exposed to.

Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with the Corporate Policies. The Company manages, monitors and reports on the principal risks and uncertainties that can impact the ability to achieve the objectives. This is an ongoing process to track the evaluation of risks and delivery of mitigating action plans.

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

Related Party Transactions

All related party transactions (RPTs) which were entered into by the Company during the year under review, were on arms' length basis and in the ordinary course of business, did not attract provisions of section 188 of the Act and were also not material RPTs as per regulation 23 of the SEBI Listing Regulations.

All RPTs during FY2023 were entered into with the approval of the audit committee. On a quarterly basis, details of such transactions were placed before the audit committee for noting/review. Disclosures relating to related party transactions on a half-yearly basis are filed with the stock exchanges. There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company – www.pokarna.com

Your attention is drawn to the Related Party disclosures set out in Note no. 33, of the Standalone Financial Statements.

Internal Financial Controls

The Company has set up a proper and adequate system of internal control to ensure protection of assets against disposition or loss on account of unauthorized use and that all transactions are approved, recorded and rightly reported. Also, the system has been designed to ensure that financial and other records are accurate for preparing financial information and other data, and for maintaining accountability for assets and liabilities. The control system is also equally aided by rigorous internal audit, guidelines and procedures.

The Company's internal financial control system comprises in-house Internal Audit Division, supplemented by internal audit checks from M. Murali Jaganmohan, Chartered Accountant, the Internal Auditors. The Company's system of internal audit includes: covering quarterly verification of inventory, a monthly review of accounts and a quarterly review of critical business processes. The Internal Auditors also concurrently audit the majority of the transactions in value term.

Based on the information provided, nothing has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in the Company's internal financial controls during the year that have materially affected or are reasonably likely to materially affect its internal financial controls.

There are inherent limitations to the effectiveness of any system of disclosure, controls and procedures, including the possibility of human error and the circumvention or overriding of the controls

and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their objectives. Moreover, in the design and evaluation of the Company's disclosure controls and procedures, the management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Statutory Auditors

The Members at the 31st Annual General Meeting of the Company held had appointed M/s. Daga & Co, Chartered Accountant as the Statutory Auditor of the Company in their place, for term of five (5) consecutive years, from the Conclusion of 31st Annual General Meeting till the Conclusion of 36th Annual General Meeting.

Cost Auditors

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended, Notifications/ Circulars issued by the Ministry of Corporate Affairs from time to time, the company is not falling under the limits of cost audit requirements. However, the company is maintaining the cost records as per the provisions of the Companies Act, 2013.

Secretarial Auditors

During the year, Secretarial Audit was carried out by Mr. K.V. Chalama Reddy Practicing Company Secretary, the Secretarial Auditor of the Company for the financial year 2022-23. The detailed report on the Secretarial Audit is appended as an **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualifications, reservations, observation or adverse remark.

Statutory Auditors' Qualifications, Reservations or Adverse Remarks or Disclaimers Made

Auditor's Report does not contain any qualification, reservation or adverse remark.

Disclosures

Vigil Mechanism / Whistleblower Policy

Your Company has established a robust Vigil Mechanism for reporting of concerns through the Whistleblower Policy of the Company. Adequate safeguards are provided against victimization to those who avail of the mechanism and access to the Chairman of the Audit Committee in exceptional cases is provided to them. The details of the Vigil Mechanism is also provided in the Corporate Governance Report and the Whistleblower Policy has been uploaded on the website of the Company <https://www.pokarna.com/wp-content/uploads/2021/05/Whistle-Blower-Policy.pdf>.

Meetings of the Board

The Board of Directors of your Company met Five (5) times during the year to deliberate on various matters. The meetings were held on 21st May, 2022, 03rd August, 2022, 08th August, 2022, 09th November, 2022 and 14th February, 2023. Further details on the Board of Directors are provided in the Corporate Governance Report forming part of this Annual Report.

Particulars of Loans, Guarantees and Investments

During the period under review, the Company has neither provided any loans nor made investments under provisions of the Section 186 of the Companies Act, 2013.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is given in **Annexure- III**, to this Report.

Annual Return

The Annual Return of the Company as on 31st March 2023 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <https://www.pokarna.com/agm/>.

Material Changes and Commitments affecting the Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

Significant and Material Orders

During the financial year 2022-23, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this Report.

Particulars of Employees

The Disclosure required under Section 197(12) of Companies Act 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure -IV**, to this Report.

Prevention of Sexual Harassment at Workplace

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Committee.

Compliance of Secretarial Standards

During financial year 2022-23, your Company has complied with the relevant provisions of Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report under Section 143(12) of the Act and the rules made thereunder.

Share Capital

The Company's paid-up Equity Share Capital continues to stand at ₹620.08 Lakhs as on 31ST March 2023. During the year, the Company has not issued any shares or shares with differential voting rights or convertible securities. Also, the Company does not have any Scheme for issue of shares including sweat equity to the employees or Directors of the Company.

Revision in Financial Statements

There has been no revision in the financial statements.

Nature of Business

There has been no change in the nature of business of the Company.

Deposits

During the year under review, the Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 (the Act) read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing details of deposits which are not in compliance with Chapter V of the Act is not applicable.

Disclosure under Rule 8(5) of Companies (Accounts) Rules, 2014

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

Human Resources

The company considers its human resources as the key to achieve its objectives. Keeping in view, your company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the company's vision. The company appreciates the spirit of its dedicated employees.

Green initiative in corporate governance

The Ministry of Corporate Affairs (MCA) has taken a green initiative in corporate governance by allowing paperless compliance by the companies and permitted the service of annual reports and documents to the shareholders through electronic mode subject to certain conditions and the company continues to send annual report and other communications in electronic mode to the members having email addresses and for the members who have not registered their email addresses, physical copies are sent through the permitted mode.

We encourage shareholders to receive their copy of the annual report through electronic mode. This will also contribute to saving costs and reduce our use of natural resources.

Appreciation

Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment – our people have been key to our successful navigation of the challenges we have faced this year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

By the order of the board
For Pokarna Limited

Sd/-

Gautam Chand Jain

Chairman & Managing Director

DIN:00004775

Date :25th May, 2023

Place: Secunderabad.

Annexure - I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company:

Our philosophy has always been that we are an integral part of the society within which we do business. This belief and idea has played a significant role in shaping our vision towards the communities we co-exist with. Healthcare & sanitation, Education and Environment are our thrust areas for undertaking CSR projects.

2. Composition of CSR Committee:

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR committee comprises Four independent directors, the Managing Director and the Executive Director as at the end of financial year 2023

Sl no.	Name of Director	Designation/Nature of directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Meka Yugandhar	Independent Director, Chairman of CSR Committee	1	1
2	Gautam Chand Jain	Managing Director, Member of the CSR Committee	1	1
3	Vinayak Rao Juvvadi	Independent Director, Member of CSR Committee	1	1
4	Dr. Jayshree Rajesh Sanghani	Independent Director, Member of CSR Committee	1	1
5	Mrs. Apurva Jain	Executive Director, Member of CSR Committee	1	1

3. Web links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

- The composition of the CSR committee is available on our website, at https://www.pokarna.com/wp-content/uploads/2021/07/Composition_of_Board_committees.pdf
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at https://www.pokarna.com/wp-content/uploads/2021/07/CSR_Policy.pdf
- As mentioned in the Board Report, the provisions of CSR is not applicable to the company, so the company has not uploaded any CSR Annual action plan on the website.

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not Applicable for the financial year under review

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil

6. Average net profit of the Company for last three financial years: NIL

7. (a) Two percent of average net profit of the company as per section 135(5): Nil
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c). Nil
8. (a) CSR amount spent or unspent for the financial year: Not Applicable

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
			Nil	Nil	NA

- (b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
NIL												

- (c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.		Amount Spent for the Project (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
Nil									

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Nil
- (f) Total amount spent for the financial year (8b+8c+8d+8e): NIL
- (g) Excess amount for set off, if any: NIL

Sl no.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the financial year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl no.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
				Not Applicable			
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project – Completed / Ongoing.
					NIL			
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**(a) Date of creation or acquisition of the capital asset(s): Not Applicable****(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable****(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable****(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable****11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

Not Applicable.

For Pokarna Limited

Date: 25th May, 2023
Place: SecunderabadSd/-
Meka Yugandhar
Chairman of CSR Committee
DIN: 00012265Sd/-
Gautam Chand Jain
Chairman & Managing Director
DIN: 00004775

Annexure - II

FORM NO. MR -3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
Pokarna Limited
Hyderabad.

1. I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by Pokarna Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 ("Audit Period") according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there-under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
 - iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amended Regulations 2018;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 : **Not applicable during the audit period.**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 : **Not applicable during the audit period.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2019 : **Not applicable during the audit period.**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not applicable during the audit period.**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable during the audit period;**
 - i. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and redeemable Preference Shares) Regulations, 2013 ; **Not applicable during the period under review and**
 - j. The Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015.

vi. The Company is into business of mining of granite, processing and sale of granite slabs and manufacture and sale of readymade garments / apparels. Accordingly, the following Major Industry Specific Acts and Rules are applicable to the Company, in the view of the Management:

- a. The Mines Act, 1952 and Rules made there under;
- b. The Mines & Minerals (Development & Regulation) Act, 1957;
- c. The Granite Conservation and Development Rules, 1999;
- d. The Andhra Pradesh Minor Mineral Concession Rules, 1966; and
- e. The Explosive Act 1884 and Explosive Rules 2008.

vii. I, have also examined compliance with the applicable clauses of the following:

- a. The Listing Agreement entered into by the Company with stock exchange (BSE & NSE).
- b. Secretarial Standards issued by The Institute of Company Secretaries of India in respect of Board and General meetings of the Company,

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, and Guidelines etc., mentioned above

4. I, further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and independent directors . The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
 - b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
5. I further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
 6. I further report that the above mentioned Company being a listed entity and this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No. CIR/CFD/CMD1/27/ 2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.
 7. I further report that as per the information and explanation provided by the Management, the Company has Material Unlisted Subsidiary namely POKARNA ENGINEERED STONE LIMITED incorporated in India pursuant to Regulation 16(c) and 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.
 8. I, further report that during the audit period, there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc. referred above.

K. V. Chalama Reddy

Practising Company Secretary

F C S: 9268, C.P No: 5451

UDIN number: F009268E000371905

PR No.: 2301/2022

Place: Hyderabad

Date: 25th May, 2023

This report is to be read with my letter of even date which is given as Annexure 'A' and forms an integral part of this report.

Annexure 'A'

To
The Members,
Pokarna Limited
Hyderabad.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 25th May, 2023

K. V. Chalama Reddy
Practising Company Secretary
F C S: 9268, C.P No: 5451
UDIN number: F009268E000371905
PR No.: 2301/2022

Secretarial Audit report of Material Subsidiary

FORM NO. MR-3

(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
Pokarna Engineered Stone Limited
Hyderabad

I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s. Pokarna Engineered Stone Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the Audit Period covering the Financial Year ended on 31st March, 2023 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2023 ("Audit Period") according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Depositories Act, 1996 and regulations made thereunder: **not applicable during the audit period.**
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings : **Not Applicable during the audit period.**
4. The Securities Contracts (Regulation) Act, 1956 and rules made thereunder: **not applicable, being an unlisted Company**
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **not applicable, being an unlisted Company.**
6. Secretarial Standards issued by The Institute of Company Secretaries of India in respect of Board and General meetings of the Company
7. The Company is into business of manufacture and sale of Natural Quartz Surfaces, in the view of the management, the following industry specific act and rule are applicable to the company, in the view of the management:
 - a. Special Economic Zone Act, 2005 and Special Economic Zone Rules, 2006. (to the extent applicable).

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, and Guidelines etc., as mentioned above.

I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and independent directors. There were no changes made in the composition of the Board of Directors during the year under review
- b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.

I further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

K.V.Chalama Reddy

Practising Company Secretary

F.C.S.No : 9268, C.P No. 5451

UDIN number: F009268E000371938

PR No.:2301/2022

Place: Hyderabad

Date: 25th May, 2023

Annexure 'A'

To
The Members,
Pokarna Engineered Stone Limited
Hyderabad.

My report of even date is to be read along with this letter.

Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.

I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide reasonable basis for our opinion.

I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 25th May, 2023

K. V. Chalama Reddy
Practising Company Secretary
F C S: 9268, C.P No: 5451
UDIN number: F009268E000371905
PR No.: 2301/2022

Annexure - III

Conservation of Energy and Technology Consumption Foreign Exchange Earnings and Outgo:

A. Conservation of Energy:

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this initiative. The energy conservation efforts in the Company are being pursued on a continuous basis. Close monitoring of energy conservation is maintained to minimize wastage and facilitate optimum utilization of energy. Regular maintenance and repairs of all the equipment's and machineries are carried out to ensure optimum efficiency. The other energy conservation measures taken are:

- plants are equipped with high energy efficiency motors and variable frequency drives.
- continuous monitoring of power factor.
- training and awareness programmes for employees were conducted for reducing energy waste.

Steps taken by the company for utilizing alternate sources of energy:

- Use of roof mounted self-driven ventilator in plant thereby enabling substantial saving in electrical energy. Roof mounted self-driven ventilators work on wind assisted ventilation.
- Use of sky lights in the plants to reduce need for lighting during daytime.

Capital investment on energy conservation equipment's:

During the current financial year, the Company has not incurred any capital expenditure on the energy conservation equipment.

B. Technology absorption:

Our Technical team visits international markets to understand and explore the possibility of using such latest technology in production and processing of our products. Benefits derived as a result of the above efforts are in the areas of process simplification, cost reduction and quality improvement.

The Company has not imported any technology during the last three years. Hence, the particulars with respect to efforts made towards technology absorption and benefits derived etc. are not applicable to the Company.

The Company during the year under review has not carried out any activity which can be construed as Research & Development and as of now there is no specific plan for engaging into such activities. As such, there is no expenditure to report.

Foreign Exchange Earnings and Outgo

During the year under review, the total standalone foreign exchange earnings was Rs.3332.83 Lakhs and expenditure was Rs 88.27 Lakhs.

By the order of the board
For Pokarna Limited

Sd/-

Gautam Chand Jain

Chairman & Managing Director

DIN:00004775

Date :25th May, 2023

Place: Secunderabad.

Annexure - IV

Details Pertaining to Remuneration as Required Under Section 197(12) of The Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, are as under:

Sl no.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2022-23 (J in Lakhs)	% Increase in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director/ to median remuneration of employees
a)	Gautam Chand Jain Chairman & Managing Director	--	Nil	--
b)	Rahul Jain Managing Director	120.00	Nil	80.00
c)	Apurva Jain Executive Director	24.00	Nil	16.00
d)	Prakash Chand Jain Director	--	Nil	--
e)	Meka Yugandhar Director	--	Nil	--
f)	Vinayak Rao Juvvadi Director	--	Nil	--
g)	Mahender Chand Director	--	Nil	--
h)	Viswantha Reddy Chief Financial Officer	69.15	Nil	46.10
i)	**Company Secretary	6.77	Nil	4.51

**Ms. Babita has resigned from the post of Company Secretary w.e.f 23.05.2022 and Mr. Piyush Khandelwal was appointed as Company Secretary w.e.f 03.08.2022.

**Piyush Khandelwal resigned from the post of Company secretary w.e.f. 28.02.2023

Note: Independent Directors were paid sitting fees for attending the sittings.

- (ii) The median remuneration of employees of the Company during the financial year was Rs 1.5 Lakhs.
- (iii) In the financial year, there was a decrease of 1.4 % in the median remuneration of employees.
- (iv) There were 175 permanent employees and 129 permanent workers on the rolls of Company as on 31st March 2023.
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (vi) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary of the Company at companysecretary@pokarna.com.

By the order of the board
For Pokarna Limited

Sd/-

Gautam Chand Jain

Chairman & Managing Director

DIN:00004775

Date :25th May, 2023

Place: Secunderabad.

Business Responsibility & Sustainability Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

I. Details of listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L14102TG1991PLC013299
2	Name of the Listed Entity	Pokarna Limited
3	Year of incorporation	09/10/1991
4	Registered office address	1ST FLOOR, 105,SURYA TOWERS, SECUNDERABAD. A.P TG 500003 IN
5	Corporate address	1ST FLOOR, 105,SURYA TOWERS, SECUNDERABAD. A.P TG 500003 IN
6	E-mail	companysecretary@pokarna.com
7	Telephone	+91 04027897722
8	Website	www.pokarna.com
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	1. Bombay Stock Exchange(BSE) 2. National Stock Exchange (NSE)
11	Paid-up Capital	6,20,08,000
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name:Gautam Chand Jain Position: Chairman and Managing Director Email id: companysecretary@pokarna.com Telephone Number: +91 4027897722
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis

II. Products/services

14 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1	Granite Mining and Processing	Mining and sale of granite blocks and Processing and sale of granite slabs	95%

15. Products/Services sold by the Company (accounting for 90% of the turnover)

S. No.	Product/Service	NIC Code	% of total Turnover contribute
1	Processing and sale of granite slabs	23960	51%
2	Mining and sale of granite blocks	08102	44%

III. Operations

16. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of plants	Number of offices	Total
National	2	1	3
International	0	0	0

17 Markets served by the Company

a. Number of locations

Locations	Number
National (No. of States)	PAN India
International (No. of Countries)	20 (Aprox)

b. What is the contribution of exports as a percentage of the total turnover of the Company?

The contribution of exports as a percentage of the total turnover of the Company is 55%.

c. Types of customers

For export of its product, company is working Directly with the overseas customers. In the domestic market the company is supplying its products to end users. The company operates under B2B & B2C.

IV. Employees

18. Details as at the end of Financial Year, i.e. March 31, 2023:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		EMPLOYEES				
1	Permanent (D)	175	171	98%	4	2%
2	Other than Permanent (E)	0	0	0	0	0
3	Total employees (D+E)	175	171	98%	4	2%
		WORKERS				
4	Permanent (F)	129	98	76%	31	24%
5	Other than Permanent (G)	50	35	70%	15	30%
6	Total workers (F+G)	179	133	74%	46	26%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		DIFFERENTLY ABLED EMPLOYEES				
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D+E)	0	0	0	0	0
		DIFFERENTLY ABLED WORKERS				
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total differently abled workers (F+G)	0	0	0	0	0

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25%
Key Management Personnel	4	0	0

20. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

Particulars	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.93%	60.00%	17.06%	11.45%	0%	10.97%	14.66%	23.08%	15.05%
Permanent Workers	14.80%	18.42%	15.69%	4.17%	9.52%	5.56%	6.25%	27.59%	12.90%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Name of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)	Indicate whether Holding/Subsidiary/ Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1	Pokarna Engineered Stone Limited	Subsidiary	100%	No
2	Pokarna Foundation	Subsidiary	50%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

No

(ii) Turnover (in Rs.)

Rs 6099.89 Lacs

(iii) Net worth (in Rs.)

Rs 12806.17 Lacs

VII. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) https://www.pokarna.com/investors/	FY2023			FY2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. We have our development executives stationed at various plant locations.	0	0	-	0	0	-
Investors (other than shareholders)	Yes. We have a dedicated email id companysecretary@pokarna.com where investors can raise their grievances or queries.	0	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) https://www.pokarna.com/investors/	FY2023			FY2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes. We have a dedicated email id companysecretary@pokarna.com where investors can raise their grievances or queries.	0	0	-	0	0	-
Employees and workers	Yes. Our employees can reach us at hradmin@pokarna.com where they can share their grievances or queries or directly write to their respective HR managers	0	0	-	0	0	-
Customers	Yes, https://www.pokarna.com/enquiry/	0	0	-	0	0	-
Value Chain Partners	Yes, https://www.pokarna.com/enquiry/	0	0	-	0	0	-
Other (please specify)	0	0	0	-	0	0	-

24. Overview of the Company's business conduct, pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Raw Material Sourcing (Rough Granite Blocks)	Opportunity	The company is extracting Granite From its Own captive Mines.	Not Applicable	Positive
2.	Raw Material Processing	Opportunity	Grinding, polishing, and processing the granite in to slabs	Not Applicable	Positive
3.	Water Management	Risk	Water scarcity during summer season can impair the company's operations and disrupt business.	The company has a strong focus on reducing water intake and has taken necessary initiatives to conserve and recycle water across its operations. At all manufacturing locations, suitable and efficient wastewater treatment systems are installed, and treated wastewater is used for various purposes.	Positive
4	Governance	Opportunity	To build upon our organizational strategy for championing success	The company has strong leadership and resilient execution teams.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.pokarna.com/investors/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NIL								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company is currently undertaking a thorough examination of goals and targets.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								
Governance, leadership and oversight									
7. Statement by Director, responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	These days the success of a business is not only measured in financial terms but also whether the business has integrated ESG (Environmental, Social and Governance) into their business as well. The business can succeed and sustain its good performance, if our society thrives. Pokarna Limited is committed to make the business truly sustainable and socially responsible and is focusing to address diverse social and environmental challenges by taking steps on Environmental issue, Waste Recycling, Health & Safety, Ethics & Governance. Moreover, the Company support and promote community development and environmental protection.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Name: Gautam Chand Jain Position: Chairman and Managing Director Email id: companysecretary@pokarna.com Telephone Number: +91 4027897722								
9. Does the Company have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	No. The company does not have a specific committee that holds responsibility for making decisions on sustainability-related issues. However, the Board of Directors of the company is responsible for managing the sustainability issues of the organization.								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review provided below taken by Director/Committee of the Board/any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action					Yes										Annually			
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances					Yes										Quarterly			
<i>The Board of Directors reviews the Statutory Compliances with applicable laws</i>																		

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment /evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.									No

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principle material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Not Applicable

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	CSR	100%
Key Managerial Personnel	1	CSR, Finance	100%
Employees other than Board of Directors and KMPs	2	Safety, Code of business conduct, whistle blower, PoSH policies	42%
Workers	2	Safety measures to be taken under Mining	40%

2. Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year:

During FY 2022-23, there were no material fines/penalties/punishments/awards/compounding fees/settlements as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 imposed on the Company or its Directors/KMPs.

	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Monetary		Has an appeal been preferred? (Yes/No)
			Amount (In INR) Brief of the Case Has an appeal	Brief of the Case	
Penalty/ Fine	No	N.A	N.A	N.A	N.A
Settlement	No	N.A	N.A	N.A	N.A
Compounding fee	No	N.A	N.A	N.A	N.A

Note:- The NSE has imposed the fine of Rs 11800 for delay in submission of Related Party Transaction.

	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Non-Monetary		Has an appeal been preferred? (Yes/No)
			Brief of the Case	Brief of the Case	
Imprisonment	No	N.A	N.A	N.A	N.A
Punishment	No	N.A	N.A	N.A	N.A

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	N.A

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company ensures that all its business operations are conducted ethically and honestly. It adopts a zero-tolerance stance towards bribery and corruption, demonstrating its commitment to maintaining professionalism, fairness, and integrity in all business transactions and relationships. The link for the policy: <https://www.pokarna.com/wp-content/uploads/2023/07/Pokarna-Anti-Corruption-Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2022-23		FY 2021-22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest. Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

The Company has established a comprehensive code of conduct followed by the Directors and management to avoid/ manage conflict of interests involving members of the Board. The link for the policy : <https://www.pokarna.com/code-of-conduct/>

PRINCIPLE 2

Business should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

Segment	FY2023	FY2022	Details of improvements in environmental and social impacts
R&D		NIL	
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, We are taking material (Granite) from our own captive mines. Mining is integral part of our Manufacturing Process.

b. If yes, what percentage of inputs were sourced sustainably?

70%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

a) The Company only uses plastic material for product packaging for export purposes, so no material is available for recycling.

b) Currently, we don't have any e-waste.

c) Not Applicable

d) The Company implements the use of a non-hazardous dry slurry for its land refillment operations. By utilizing this non-hazardous material, the company ensures the preservation of ecological balance while effectively managing land refillments.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
Not applicable to the product as the product is natural and universal which is extracted through Mining.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not applicable to the product as the product is natural and universal which is extracted through Mining.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY2023	FY2022
NIL	NIL	NIL

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY2023			FY2022		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	NIL	NIL	NIL	NIL
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	Dry Slurry (Non-Hazardous) used for land refillments	100	100	Dry Slurry (Non-Hazardous) used for land refillments	100	100

Note : The company utilizes its dry slurry for the purpose of land refillment.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NIL	

PRINCIPLE 3

Business should respect and promote the wellbeing of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the wellbeing of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	171	171	100%	171	100%	0	0%	0	0%	0	0%
Female	4	4	100%	4	100%	0	0%	0	0%	0	0%
Total	175	175	100%	175	100%	0	0%	0	0%	0	0%
Other than Permanent employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

b. Details of measures for the wellbeing of workers:

% of workers covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
				Permanent workers							
Male	98	98	100%	98	100%	0	0%	0	0%	0	0%
Female	31	31	100%	31	100%	0	0%	0	0%	0	0%
Total	129	129	100%	129	100%	0	0%	0	0%	0	0%
				Other than Permanent Workers							
Male	35	35	100%	35	100%	0	0%	0	0%	0	0%
Female	15	15	100%	15	100%	0	0%	0	0%	0	0%
Total	50	50	100%	50	100%	0	0%	0	0%	0	0%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY2023			FY2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	16.60%	77.50%	Y	18.50%	96.50	Y
Group Medical Insurance	76.50	22.50%	N	81.50%	3.50%	N

3. Accessibility of workplaces

Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

No. The facility is partially accessible for differently-abled individuals. However, the company recognizes the importance of creating an inclusive workplace and is committed to improving accessibility for all employees and workers. To achieve this goal, the company will take steps, including modernizing its older facilities, to remove barriers and improve access for differently abled individuals.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Presently, there is no disabled employee working in the Company but the Company assures that it is dedicated to promote equal opportunity and ensuring that all employees and workers are able to fully participate in the workplace.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	Yes - Grievance Box receives grievances and sent in Grievance Committee for decision
Other than permanent workers	Yes - Grievance Box receives grievances and sent in Grievance Committee for decision
Permanent employees	Yes - Grievance Box receives grievances and sent in Grievance Committee for decision
Other than permanent employees	Yes - Grievance Box receives grievances and sent in Grievance Committee for decision

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2023			FY2022		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	%(B/A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Total Permanent Employees	0	0	0%	0	0	0%
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Total Permanent Workers	0	0	0%	0	0	0%
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY2023					FY2022				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	Employees									
Male	171	171	100%	0	0	201	201	100%	0	0
Female	4	4	100%	0	0	10	10	100%	0	0
Total	175	175	100%	0	0	211	211	100%	0	0
	Worker									
Male	98	98	100%	0	0	115	115	100%	0	0
Female	31	31	100%	0	0	38	38	100%	0	0
Total	129	129	100%	0	0	143	143	100%	0	0

*We are providing on Job training. The skill upgradation is done as and when required. No specific data is maintained.

9. Details of performance and career development reviews of employees and workers:

Category	FY2023			FY2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	171	118	69%	201	123	61%
Female	4	3	75%	10	3	30%
Total	175	121	69%	211	126	58%
Worker						
Male	98	94	96%	115	115	100%
Female	31	31	100%	38	36	95%
Total	129	125	27%	153	151	99%

Note:- Periodic half yearly VDA correction has been implemented

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes - Employees and Workers are trained while on job on safety aspects by the Supervisors and Work Location Section Incharges

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Work Location Supervisors and In charges on a continuous basis identify work related hazards and assess risk on routine basis and guide other Employees and Workers on risk management and safety.

- c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

Yes. Periodic assessment of hazards of work location identified by Employees / Workers are discussed and removed.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

No

11. Details of safety related incidents, in the following format:

Safety Incident /Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	1	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Pokarna is committed to maintain a safe and healthy workplace for all its employees. The Company is having ambulance and doctors who are always ready in case of any emergencies. The managers and Foremen, supervisors always make sure to maintain safe and healthy workplace by following Health safety measures on continuous basis.

13. Number of Complaints on the following made by employees and workers:

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14 Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	0%
Working Conditions	0%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

Continuous Training on Health and Safety is held to address / correct related issues to make it incident free.

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

No

2. Provide the measures undertaken by the entity to ensure payment of statutory dues by the value chain partners.

Not Available

3. Provide the number of employees / workers having suffered grave consequences due to work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total No. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2023	FY2022	FY2023	FY2022
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0%
Working Conditions	0%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NA

PRINCIPLE 4**Business should respect the interests of and be responsive to all its stakeholders****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the Company**

The Company acknowledges every individual, group, or institution that contributes to its value chain as a fundamental stakeholder. The Stakeholder Engagement process is consistently carried out to identify stakeholders, encompassing customers, suppliers, communities, government regulators, shareholders, and employees. Furthermore, the Company maintains an ongoing commitment to identifying additional stakeholders by actively engaging with them on a regular basis. This proactive approach involves seeking to comprehend their viewpoints, receiving feedback, and addressing any concerns that hold significance to them.

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	No	Emails, CSR initiatives and interventions	Need Basis	Positively touching lives of people and thereby enhancing their quality of life and overall well-being, Capacity Building, local development and livelihoods for the affected persons
Investors (other than Shareholders)	No	Email, Newspaper, Advertisement, Notice Board, Website	Quarterly, Need basis	Shareholder support and feedback on operations provides continuous guidance for the management and governance
Shareholders	No	Email, Newspaper, Advertisement, Notice Board, Website	Quarterly, Need basis	Keeping communications channels open with analysts and investor community and helps to connect them with management
Employees and workers	No	Notice Board, Website	as and when required	Employees help meet business goals with their collective knowledge and experience, by initiating best-in-class people practices Benefits, culture and grievances Capacity building and career progression Human Rights aspects related to employee wellbeing
Customers	No	Email, Newspaper, Advertisement, Notice Board, Website	as and when required	Understanding of their needs, helps in determining product and services quality and pricing. Product innovation development is guided by customer requirements, Reduction in environmental and social impacts of products to help customers meet their Sustainability Goals
Value Chain Partners (Suppliers and Vendors)	No	Email, Newspaper, Advertisement, Notice Board, Website	as and when required	Critical to ensure operational efficiency through timely supplies and logistical efficiency Vital to our goals of sustainability and responsible sourcing Safety of workers and workplace
Regulatory/ authorities	No	Email, Newspaper, Advertisement, Notice Board, Website	Quarterly	Regular engagement, communications and advocacy with regulatory authorities Strict compliance with rules and regulations-tracking compliance

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The company holds the belief that continuous consultation with its stakeholders is essential, and its leadership takes the initiative by engaging with them regularly through diverse platforms. Furthermore, a Corporate Social Responsibility Committee has been established at the Board level, which conducts reviews of progress. Moreover, shareholders are provided with the opportunity to interact with all board members during the Annual General Meeting held annually. This approach allows the company to maintain a consistent understanding of the needs and concerns of its stakeholders and ensures accountability towards them.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The company consistently benefits from engaging in consultations with its stakeholders, as it helps in formulating policies concerning economic, environmental, and social matters

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company identifies the disadvantaged, vulnerable and marginalised stakeholders on an ongoing basis. Any new proposed project or expansion is mapped by engaging the stakeholder proactively, specifically via Corporate Social Responsibility activities.

PRINCIPLE 5

Business should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2023			FY2022		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	175	175	100	211	211	100
Other than permanent	--	----	--	---	---	--
Total Employees	175	175	100	211	211	100
Workers						
Permanent	129	129	100	153	153	100
Other than permanent	50	0	0	95	0	0
Total Workers	179	129	72.06	248	153	61.69

Note: We have a Code of Conduct and Policy on Sexual Harassment in place, which covers aspects of human rights. Employees are mandated to abide by these policies before joining the company. We also have a human rights policy that governs all our employees and is accessible to them through company portal and website.

2. Details of minimum wages paid to employees and workers, in the following format:

	FY2023					FY2022				
Category	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	Employees									
Permanent	175	0	0%	175	100%	211	0	0%	211	100%
Male	171	0	0%	171	100%	201	0	0%	201	100%
Female	4	0	0%	4	100%	10	0	0%	10	100%
Other than Permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
	Worker									
Permanent	129	43	33%	86	67%	153	37	24%	116	76%
Male	98	36	37%	62	63%	115	30	26%	85	74%
Female	31	7	23%	24	77%	38	7	18%	31	82%
Other than Permanent	50	50	100%	0	0%	95	95	100%	0	0%
Male	35	35	100%	0	0%	77	77	100%	0	0%
Female	15	15	100%	0	0%	18	18	100%	0	0%

3. Details of remuneration/salary/wages, in the following format: (in Lacs)

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
**Board of Directors (BoD)	6	120	2	24
Key Managerial Personnel (KMP)	2	37.96	0	0
Employees other than BoD and KMP	168	2.8	3	1.49
Workers	98	1.60	31	1.12

Note: We evaluate all employees based on performance, regardless of gender, ensuring a fair and non-discriminatory recruitment, compensation, and promotion process. In the above statistics, the median salary of women employees (other than the Board of Directors and Key Management Personnel) is higher due to their higher representation in managerial positions compared to junior non-managerial roles.

Key Managerial Personnel includes Company Secretary and Chief Financial Officer. Directors are counted in Board of Directors.

***Five Board of Directors are being paid sitting for attending Board meeting. Only two Executive Directors are paid the remuneration.*

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company has established a team, which focuses on whistle-blower protection and policy implementation, to address any human rights issues that may arise.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Code of Ethics & Conduct and whistle blower & protection policy provide a platform for our employees and individuals in the extended supply chain to report any violations. The Company encourages to voice any concerns they may have without fear of reprisal.

6. Number of Complaints on the following made by employees and workers:

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other Human rights related issues	0	0	-	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Under the Company's whistle-blower & protection policy, stakeholders can come together and help the organisation eliminate any malpractices in the system. This policy has constituted to investigate the complaints and recommend corrective actions.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No.

9. Assessment for the year:

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	0%
Forced Labour/Involuntary Labour	0%
Sexual Harassment	0%
Discrimination at workplace	0%
Wages	0%
Other- please specify	0%

Note: We have internal tools and tracking mechanisms wherein we track statutory compliances across our 100% of operations

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

The Company has a robust human rights due diligence process through which it continuously assesses and improves its ability to respond to any human rights-related issues.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company recognizes the importance of upholding ethical and human rights standards throughout our value chain. It respects the human rights of all our stakeholders.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The facility is partially accessible. However, the company recognizes the importance of creating an inclusive and accessible workplace and is committed to improving accessibility for all individuals.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0%
Discrimination at workplace	0%
Child Labour	0%
Forced Labour/Involuntary Labour	0%
Wages	0%
Others – please specify	0%

4. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6

Business should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY2023	FY2022
Total electricity consumption (A) GJ	8594	12323
Total fuel consumption (B) GJ	9200	23978
Energy consumption through other sources (C) GJ	--	--
Total energy consumption (A+B+C) GJ	17794	36301
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	2.77	51.16
Energy intensity (optional) – the relevant metric may be selected by the Company	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company doesn't fall under PAT scheme

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2023	FY2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	4380	5263
(ii) Groundwater	240	360
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4620	5623
Total volume of water consumption (in kilolitres)	4596	5599
Water intensity per rupee of turnover (Water consumed / turnover)	0.75	0.8
Water intensity (optional) – the relevant metric may be selected by the entity	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company is focusing on reducing water intake and have adopted 5 “R” principle (Reduced; Re-used; Re-cycled; Restored; and Respect) to minimise water consumption across in all our operations. The processing units operate in strict compliance with the Consent to Operate (CTO) conditions and the Pollution Control Board (PCB) norms and the quarries operate in strict compliance with the Consent for Operation (CFO) conditions reconfirming our commitment to sustainability and environmental protection.

5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

Parameter	Unit	FY2023	FY2022
NOx	µg/m ³	15	16
SOx	µg/m ³	11	12
Particulate matter (PM)	µg/m ³	171	168
Persistent organic pollutants (POP)		Not Relevant	Not Relevant
Volatile organic compounds (VOC)		Not Relevant	Not Relevant
Hazardous air pollutants (HAP)		Not Relevant	Not Relevant
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes. M/s.Global Enviro Labs, Hyderabad

6. Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2023	FY2022
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not Measured	Not measured
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not measured	Not measured
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	--	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

No

8. Provide details related to waste management by the Company, in the following format:

Parameter	FY2023	FY2022
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Nil	Nil
E-waste (B)	Nil	Nil
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous Waste. Please specify, if any. (G)	Nil	Nil
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Nil	Nil
Total (A+B + C + D + E + F + G + H)	Nil	Nil
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	Nil	Nil
Total	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company believes that waste management is a crucial part of its commitment of sustainability. All the waste generated is collected and disposed of as per the guidelines of the Pollution Control Board.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Pokarna does not have any operations/offices in/around sensitive areas such as national parks, wet lands, forest, etc.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil				

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY2023	FY2022
From renewable sources (GJ)		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources (GJ)		
Total electricity consumption (D)	8594	12323
Total fuel consumption (E)	9200	23978
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	17794	36301

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Provide the following details related to water discharged:

Parameter	FY2023	FY2022
Water discharge by destination and level of treatment (in kilolitres)		
i) To Surface water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	0	0
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	0	0
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area:(i).....(a) Shameerpet, Telangana; (b) Toopranpet, Telangana; (c) Chimakurthy, Andhra Pradesh; (d) Ballikurava, Andhra Pradesh; (e) Puttur, Andhra Pradesh; (f) Parvathipuram, Andhra Pradesh.
- (ii) Nature of operations:-(ii) Manufacturing / Quarrying.
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY2023	FY2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	4380	5263
(ii) Groundwater	240	360
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	4620	5623
Total volume of water consumption (in kilolitres)	4596	5599
Water intensity per rupee of turnover (Water consumed / turnover)	0.75	0.8
Water intensity (optional) – the relevant metric may be selected by the entity	0	0
Water discharge by destination and level of treatment (in kilolitres)		
i) Into Surface water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	0	0
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	0	0
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY2023	FY2022
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not Measured	Not Measured
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Pokarna does not have any operations/offices in/around sensitive areas such as national parks, wet lands, forest, etc.

6. If the entity provided below taken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Water Management	Water Recycling Plant	Our operations involve wet process where non hazardous water is used. The non hazardous water is discharged and recycled and reused for the same process.
2	Dust Emission	Wet Process	We are using wet process to do plishing of the material to avoid emission of dust.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company is located in Deccan Pleatue where the incident of earthquake is very minimal. The factories are located above level .So far no incedent of floods and earthquake is there. The Company has busses and other vehicles and ambulance for any emergency to manage disasters.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

No, the Company is handeling the natural product which are directly used in the Building Industry. There is no as such impact to the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

No.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators**1. a. Number of affiliations with trade and industry chambers/associations.**

9

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	Chemical and Allied Export Promotion Council (CAPEXIL)	National
2.	Export Promotion Council for EOUs & SEZs (EPCES)	National
3.	Federation of Indian Export Organisations (FIEO)	National
4.	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
5.	NATURAL STONE INSTITUTE, U.S.A. (formerly Marble Institute of America)	International
6.	AHK India, Indo-German Chamber of Commerce,	National
7.	Confederation of Indian Industry (CII)	National
8.	Indo-American Chamber of Commerce	National
9.	Federation of Indian Chamber of Commerce & Industry (FICCI) Ladies Organisation	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
There was no cases of anti-competitive conduct during the reporting period.		

Leadership Indicators**1. Details of public policy positions advocated by the Company:**

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/ No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/Others- please specify)	Web Link, if available
	NIL	NIL	NIL	NIL	NIL

Note: Pokarna Limited does not engage in any public policy advocacy.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The company undertakes interaction with the community to discuss, identify & address any issues, complaints or grievances of the community. The grievances/complaints received is being looked after by the company so that the grievances/complaints resolved at earliest

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY2023	FY 2022
Directly sourced from MSMEs/small producers	3.23	6.87
Sourced directly from within the district and neighbouring districts	Sourced from neighbouring districts with in same city	Sourced from neighbouring districts with in same city

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by the Company in the designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
Not Applicable			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. While the preferential procurement policy for FY 2022-23 is yet to be ratified by the board.

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

0%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
Not Applicable			

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company takes feedback from the management during the visit of Customers at the international exhibitions and manufacturing facilities. To understand the customers better, the Company takes direct feedback in international exhibitions. Customers' satisfaction is the Company's primary goal that motivates it to keep its products as per the consumer's requirements.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	We are in the industry extracting Naturals product extracted through the own captives mines.
Safe and responsible usage	N.A
Recycling and/or safe disposal	N.A

3. Number of consumer complaints in respect of the following:

	FY2023			FY2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	No complaints was received during the year					There are no consumer cases pending as on end of financial year.
Advertising						
Cyber- security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other (product related)						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	0
Forced recalls	NIL	0

5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, The company has internal generated policy on cyber security and risks related to data privacy. The Policy serves several purposes. The main purpose is to inform company users: employees, contractors and other authorized users of their obligatory requirements for protecting the technology and information assets of the company. The policy is being used internally and is not uploaded on company's website.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not Applicable

Leadership Indicators**1. Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available).**

The information on company's products can be accessed through the company's website i.e. www.pokarna.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company arranges technical visits regularly to educate the customers where they find solution to their problems. Further, for outstation customers conference calls are organized to understand their requirements and try to meet the same.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As the company is engaged in the Granite business, no such mechanism is applicable to company.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/ No)

The Company is extracting granite from the mines and sale them. There is no as such information required to be written on the Granite. We as per customer requirements and for some internal process do some marking like writing batch number and measurements.

5. Provide the following information relating to data breaches:**a. Number of instances of data breaches, along with impact**

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

Corporate Governance Report

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations), compliance with the requirements of Corporate Governance is set out below:

Company's Philosophy

Pokarna defines corporate governance as the system that allocates duties and authority among the Board of directors. The result of good corporate governance is intended to be a well system run, efficient Company that identifies and deals with its problems in a timely manner, creates value for its shareowners' and meets its legal as well as ethical responsibilities.

Our commitment to strong, responsible corporate governance embarks on our Board of directors. Each Board member is essentially concerned to preserve the integrity that has characterized the Company.

We take the subject of corporate governance very seriously from the boardroom to the manufacturing floor. Integrity has always been one of our values; it is the foundation of our reputation and one of our most precious assets.

We govern ourselves with a rigorous system of checks and balances to ensure utmost compliance to fair and honest business practices. This ensures that our integrity is never compromised. We believe that the integrity of any Company must come from a leadership committed to behaviour that is honest, decent and fair and from directors and employees who share that commitment and bring it to life at all levels of the organization. That's exactly what we do at Pokarna limited.

The following is a report on the Corporate Governance.

A. Board of Directors

- (a) **Composition and size of the Board:** As on 31st March, 2023, the Board of Directors consists of Eight (8) Directors consisting of Chairman & Managing Director, Managing Director, Executive Director and Five (5) Non-executive Directors, out of which Four (4) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the relevant provisions of the Companies Act, 2013. The Independent Directors have been issued formal letter of appointment and the terms and conditions of their appointment have been disclosed on the website of the Company. The Independent Directors have given declarations to the Company about their independence to enable the Board for determining its composition as envisaged in Regulation 17 of the Listing Regulations and further confirming compliance as per Section 149 of the Companies Act, 2013 read with the Rules made thereunder. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. All material information is circulated to the Directors, including minimum information that are required to be made available to the Directors under Part A of Schedule II of the Listing Regulations.
- (b) **Board Meetings and Attendance:** Five (5) Board Meetings were held during the year. The dates on which the meetings were held are as follows

S. No	Date of Board Meeting	Board Strength	No. of Directors Present
1	21st May,2022	8	8
2	03rd August,2022	8	7
3	08th August,2022	8	7
4	09th November,2022	8	8
5.	14th February,2023	8	7

The maximum time gap between any two board meetings was less than 120 days

- (c) Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM), and the number of Directorship, Membership and Chairmanship in Committees of other companies are given below:

Name of Director and Designation	Category of Directorship	Attendance particulars		No. of other Directorships and Committee Memberships / Chairmanship		
		Board Meetings	Last AGM	Directorships in other public companies as on 31st March, 2023*	Committee** Member	Chairman
Gautam Chand Jain Chairman & Managing Director	Executive & Promoter	5	Yes	1	-	-
Rahul Jain Managing Director	Executive & Promoter	5	Yes	1	1	-
Apurva Jain Executive Director	Executive & Promoter	4	Yes	1	-	-
Prakash Chand Jain Director	Non-Executive & Promoter	5	Yes	1	-	-
Meka Yugandhar Director	Non-Executive & Independent	4	Yes	3	4	2
Vinayak Rao Juvvadi Director	Non-Executive & Independent	5	Yes	1	2	-
Mahender Chand Director	Non-Executive & Independent	4	Yes	1	2	-
Jayshree Rajesh Sanghani Director	Non-Executive & Independent	5	No	1	-	-

* Excludes Directorships in private, foreign and Section 8 companies.

** Represents Memberships of only Audit committee and stake holder committee of Pokarna Limited, other public limited company either listed or unlisted is considered.

- (d) Mr. Gautam Chand Jain, Mr. Rahul Jain, Mrs. Apurva Jain and Mr. Prakash Chand Jain are related to each other and none of the other Directors of the Company are, inter-se, related to each other.

- (e) Details of Directorship in other Listed entities as on 31st March, 2023:

Name of the director	Name of the Listed Company	Category
Mr. Meka Yugandhar	Alufluoride Limited	Non-Executive – Independent

- (f) The Board composition of your Company encompasses right mix of skill and competencies, namely Directors having experience and expertise in general management, business strategy, corporate strategy, governance practices, etc. All the Directors have the ability to make points succinctly and effectively at Board Meetings.

- (g) Independent Directors Meeting

Meeting of the Independent Directors, chaired by Mr. Meka Yugandhar, was held on 14th February, 2023 which was attended by Three Independent Directors. The Independent Directors have evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairman & Managing Director, Managing Director and the Executive Director of the Company. The Board was briefed on the deliberations made at the Independent Directors Meeting. The details of Familiarisation Program imparted to Independent Directors of the Company are available on website of the Company at <http://www.pokarna.com/familiarization-programme-of-independent-directors/>

- (h) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and CSR Committee and Risk Management Committee. Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the

composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of participation in the meetings and contribution, independence of judgments, safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. During such evaluation, the Director whose performance was evaluated was not present at the meeting. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

- (i) The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Skills/Expertise/ Competencies	Description	Gautam Chand Jain	Rahul Jain	Apurva Jain	Prakash Chand Jain	Meka Yugandhar	Vinayak Rao Juvvadi	Mahender Chand	Jayshree Rajesh Sanghani
Understanding about the Business	Understanding about the dynamics of the Stone and Apparel Industries	Y	Y	Y	Y	Y	Y	Y	Y
Research and Development	Understanding about the technology in the industry and focusing on next-gen technologies in relevant industries	Y							
Marketing and Strategy	Understanding about the marketing model and strategy planning for tapping untapped markets and exploring further opportunities in the existing markets.	Y	Y						
Leadership	Leadership Skill to ensure effective guidance to and monitoring of the management and to set a corporate culture and the values by which executives throughout the group should leave.	Y	Y	Y	Y	Y	Y	Y	Y
Financial Discipline and Risk Oversight	Understanding the financial management, Financial Reporting Process and Financial & Operational Controls. Ensuring focus on returns.								
	Understand and Oversee internal and external risk associated with the business and to put in place appropriate policies and procedures to effectively manage such risks.	Y	Y		Y	Y	Y	Y	Y
Corporate Governance	Experience in implementation of the statutory laws, rules, regulations etc., effective implementation and ensuring proper corporate governance.	Y	Y	Y	Y	Y	Y	Y	Y

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

B. Audit Committee

- (a) Terms of Reference: The terms of reference of the Audit Committee inter alia, includes:
- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
 - reviewing and examining with management the quarterly and annual financial results before submission to the Board;
 - recommending the appointment, remuneration and terms of appointment of Statutory Auditors / Internal Auditor of the Company;
 - reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;

- v. reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- vi. scrutiny of inter-corporate loans and investments made by the Company;
- vii. evaluating internal financial controls and risk management systems;
- viii. review the functioning of the Whistle-blower Mechanism; and
- ix. reviewing the information required as per SEBI Listing Regulation

The Chairman of the Audit Committee apprises the Board of Directors about significant discussions and decisions taken at the Audit Committee meetings.

- (b) **Composition, Meetings and Attendance:** The Audit Committee as at the end of the year 31st March, 2023 consisted of Three (3) Directors of which Three (3) were Independent Directors. Details of attendance of the Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Meka Yugandhar	Chairman	Non-Executive Independent	4
Vinayak Rao Juvvadi	Member	Non-Executive Independent	4
Mahender Chand	Member	Non-Executive Independent	3

Four (4) Audit Committee Meetings were held during the year. The dates on which the meetings were held are 21st May, 2022, 8th August, 2022, 9th November, 2022 and 14th February, 2023. The Company Secretary is the Secretary of the Committee. The Chairman & Managing Director, Managing Director, Executive Director, Chief Financial Officer along with the Statutory Auditor's and Internal Auditor are invitees to the Audit Committee Meetings. The Chairman of the Audit Committee, Meka Yugandhar, was present at the Annual General Meeting of the Company held on 07th September, 2022.

C. Nomination and Remuneration Committee

- (a) **Terms of Reference:** The terms of reference of the Nomination and Remuneration Committee inter alia, includes:

- i. Devise a policy on the diversity of Board of Directors;
- ii. recommend to the Board the appointment or reappointment of directors;
- iii. recommend to the Board appointment of Key Managerial Personnel;
- iv. carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors;
- v. Recommend to the Board the Remuneration Policy for directors, Key Managerial Personnel;
- vi. performing such other duties and responsibilities as may be consistent with the provisions of the committee charter; and
- vii. reviewing the information required as per SEBI Listing Regulations.

- (b) **Composition, Meetings and Attendance:** The Nomination and Remuneration Committee as at the end of the year 31st March, 2023 consisted of Four (4) Directors of which Three (3) were Independent Directors. Details of attendance of the Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Meka Yugandhar	Member	Non-Executive Independent	1
Mahender Chand	Chairman	Non-Executive Independent	2
Prakash Chand Jain	Member	Non-Executive Director	2
Vinayak Rao Juvvadi	Member	Non-Executive Independent	2

Two (2) Nomination and Remuneration Committee were held during the year. The dates on which the meeting was held is 21st May, 2022 and 03rd August, 2022. The Company Secretary is the Secretary of the Committee.

D. Remuneration to Directors:

(a) **Remuneration of the Executive Director:** The compensation structure of the Executive Director consists of two parts – fixed and variable determined on the basis of individual performance and performance of the Company including its subsidiary. The compensation structure is also reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors and Members of the Company. The Company does not have any Employee Stock Option Scheme.

(i) **Remuneration of the Chairman & Managing Director:** Mr. Gautam Chand Jain, Chairman & Managing Director voluntarily decided not to accept any remuneration from the Company during the FY 2022-2023. No sitting fees were paid to Mr. Gautam Chand Jain for attending meetings of the Board during the financial year 2022-2023. Mr. Gautam Chand Jain is also the Managing Director of Pokarna Engineered Stone Limited ('PESL'), a material subsidiary of the Company. The shareholders of PESL on the recommendation of Board of Directors, re-appointed, Mr. Gautam Chand Jain as the Managing Director of PESL for a period of 5 years effective from 07th November, 2021. Mr. Gautam Chand Jain draws remuneration from PESL. The details of remuneration drawn by Mr. Gautam Chand Jain from PESL during FY 2022-23 is as below:

	Amount
Salary	Rs. 1,80,000.00
Perquisite	Rs.11,68,234
Commission	Rs. 3,10,14,800

The total amount of remuneration paid by PESL is within the limits prescribed under the Act. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Managing Director.

(ii) **Remuneration of the Managing Director and Executive Director:** The details of remuneration drawn by Mr. Rahul Jain, Managing Director and Mrs. Apurva Jain, Executive Director during FY 2022-23 is as below:

	Amount (in lakhs)	
Particulars	Rahul Jain	Apurva Jain
Salary	120	24
Perquisite	-	-
Commission	-	-
Total	120	24

No sitting fees were paid to Mr. Rahul Jain and Mrs. Apurva Jain for attending meetings of the Board during the financial year 2022-23. The total amount of remuneration paid by the Company to Mr. Rahul Jain and Mrs. Apurva Jain is within the limits prescribed under the Act and as approved by the shareholders of the Company and the Nomination and Remuneration Committee of the company.

There is no separate provision for payment of severance fee under the respective resolutions governing the appointment of Managing Director and Executive Director.

(iii) Remuneration of the Non-Executive Director:

The Company follows transparent process for determining the remuneration of Non-executive Directors including the independent directors. Their remuneration is governed by the role assumed, number of meetings of the Board and the Committees thereof attended by them, the position held by them as the Chairman and member of the Committees of the Board and their overall contribution as Board members. Besides this, the Board also takes into consideration the individual performance of such Directors and performance of the Company as well as the industry standards in determining the remuneration of the Non-executive Directors. No sitting fee is paid for the Committee meetings.

The details of sitting fees payable to the Directors are given below:

Name of the Director	Board Meeting	Sitting Fees
		Paid for FY 2022-23 Rs.in Lakhs
Meka Yugandhar	4	2.00
Vinayak Rao Juvvadi	5	2.50
Mahender Chand	4	2.00
Prakash Chand Jain	5	2.50
Jayshree Rajesh Sanghani	5	2.50

E. Stakeholder Relationship Committee

(a) Terms of Reference: The terms of reference of the Stakeholders' Relationship Committee inter alia, includes:

- i. Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters;
- ii. consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc; and
- iii. reviewing the information required as per SEBI Listing Regulation.

(b) Composition, Meetings and Attendance: The Stakeholders' Relationship Committee as at the end of the year 31st March, 2023 consisted of Three (3) Directors of which Two (2) were Independent Directors. Details of Committee Members are as follows:

Name	Designation	Category of Directorship	Attendance
Mahender Chand	Chairman	Non-Executive Independent	0
Meka Yugandhar	Member	Non-Executive Independent	1
Rahul Jain	Member	Managing Director	1

One (1) Stake Holders Relationship Committee were held during the year. The dates on which the meetings were held are 14th February, 2023. The Company Secretary is the Secretary of the Committee.

(c) Name, designation and address of the Compliance Officer: Ms. Disha Jindal, Company Secretary, 105, 1st Floor, Surya Tower, Sardar Patel Road, Hyderabad - 500003. Phone: 040-27842121. Email ID: companysecretary@pokarna.com. During the year, the Company has not received any investor complaints. In order to facilitate faster redressal of investors' grievances the Company has created an exclusive email ID igrc@pokarna.com. Investors and shareholders may lodge their query/ complaints addressed to this email ID which would be attended immediately.

F. Corporate Social Responsibility Committee

(a) Terms of Reference: The terms of reference of the Corporate Social Responsibility Committee inter alia, includes:

- (i) Formulate and recommend to the board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- (ii) recommend the amount of expenditure to be incurred on the activities referred to above; and
- (iii) monitor the CSR Policy of the Company from time to time.

(b) **Composition, Meetings and Attendance:** The Corporate Social Responsibility Committee as at the end of the year 31st March, 2023 consisted of Five (5) Directors of which Three (3) were Independent Directors. Details of attendance of the Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Meka Yugandhar	Chairman	Non-Executive Independent	1
Gautam Chand Jain	Member	Chairman & Managing Director	1
Vinayak Rao Juvvadi	Member	Non-Executive Independent	1
Dr. Jayshree Rajesh Sanghani	Member	Non-Executive Independent	1
Mrs. Apurva Jain	Member	Executive Director	1

One (1) Corporate Social Responsibility Committee were held during the year. The date on which the meetings was held is 21st May, 2022. The details of the Corporate Social Responsibility activities of the Company as per the Corporate Social Responsibility Policy are provided as Annexure -I to the Directors Report.

G. Loan Committee

(a) Terms of Reference: The terms of reference of the Loan Committee inter alia, includes:

- (i) approving borrowings by the Company within the limit specified.

Composition: The Loan Committee as at the end of the year 31st March, 2023 consisted of Three (3) Directors of which One (1) were Independent Directors. Details of the Members are as follows:

Name	Designation	Category of Directorship	Attendance
Meka Yugandhar	Chairman	Non-Executive Independent	1
Gautam Chand Jain	Member	Executive-Promoter	2
Prakash Chand Jain	Member	Non-Executive Promoter Director	2

H. Risk Management Committee: Risk Management Committee as required under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was constituted on June 21, 2021 with following members:

Name	Designation	Category of Directorship	Attendance
Mahender Chand	Chairman	Non-Executive Independent	1
Vinayak Rao Juvvadi	Member	Non-Executive Independent	2
Rahul Jain	Member	Managing Director	2

(a) The terms of reference of the Risk Management Committee, as approved by the Board, includes the following:

1. Framing a risk management policy;
2. Identify Company's risk appetite set for various elements of risk;
3. Review the risk management practices and structures and recommend changes to ensure their adequacy including but not limited to cyber security and related risks;
4. Approve and review the risk treatment plans put in place by management; and
5. Ensure adequacy of risk management practices in the Company.

The Risk Management Policy formulated by the Risk Management Committee, articulates the Company's approach to address uncertainties in its endeavors to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and framework with respect to Risk Management and the Internal Financial Controls comprehensively address the key strategic/business risks, information technology, financial, cyber security risks and operational risks respectively.

Two (2) Risk Management Committee were held during the year. The date on which the meetings was held is 09th November, 2022 and 14th February, 2023.

I. Subsidiary Company

In terms of Regulation 16(1)(c) of the Listing Regulations, Pokarna Engineered Stone Limited is material subsidiary of the Company as on 31st March, 2023. The Company has one subsidiary i.e Pokarna Foundation. The Policy on Material Subsidiary is available on the website of the Company at www.pokarna.com. All the Independent Directors of the Company are also Independent Directors on the Board of PESL as on 31st March, 2023.

The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the PESL and PF, including the investments made by PESL. The Minutes of the Board Meetings, along with a report of the significant transactions and arrangements are placed before the Board of Directors of the Company.

J. General Body Meetings

(a) Date and time of the AGMs, held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

Date of AGM	Venue	Time	Whether Special Resolution passed	Summary of Special Resolutions
29th September, 2020	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)	11:00 AM	Yes	Remuneration to Promoter Group as Per Reg. 17(6)(e) of Listing Regulation

Date of AGM	Venue	Time	Whether Special Resolution passed	Summary of Special Resolutions
06th August, 2021	Through Video Conferencing (VC)/Other AudioVisual Means (OAVM)	11:00 AM	Yes	i. Re-appointment of Gautam Chand Jani as Chairman & Managing Director. ii. Re-appointment of Rahul Jani as Managing Director. iii. Appointment of Dr. Jayshree Rajesh Sanghani as an Independent director
07th September, 2022	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)	11.00A.M	No	Nil

- (b) Postal Ballot: During the year, the Company did not pass any special resolution through postal ballot. The details of the previous postal ballots are available on the website, at <https://www.pokarna.com/postal-ballot/>

K. Means of Communication:

- (a) The quarterly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE and NSE websites. The financial results are also published in Business Standard and Nava Telangana newspapers and posted on the Company's website at www.pokarna.com. The official media releases and presentations made to Institutional Investors/Analysts are submitted to the BSE and NSE.
- (b) Details of Corporate Policies:-

Particulars	Website Links
Composition of the Board of Directors	All the policies and other information is available at the website of the company at https://www.pokarna.com/investors/
Terms and condition of Appointment of Independent Director	
Familiarization Programme	
NRC Policy	
Code of Conduct	
Criteria of Making payments to NED	
CSR Policy	
Related Party Policy	
Material Subsidiary Policy	
Policy for disclosing Materiality for Disclosure	
Whistle Blower Policy	
Archival Policy	
Policy on Preservation of Documents	
Shareholding Pattern	
Corporate Governance Report	

L. General Shareholders' Information

Pursuant to the Listing Regulations, the general shareholders' information pertaining to the Company, its shareholding pattern, share price movements, top 10 shareholders and such other information as prescribed under the said Regulations is provided herein below:

- (i) Thirty Second (32nd) Annual General Meeting (AGM):

Date: Monday, 18th September, 2023.

Time: 11:00 A.M

Venue: Annual General Meeting through Video Conferencing/Other Audio Visual Means facility (Deemed Venue for meeting:

Registered Office: 105, First Floor, Surya Tower, Sardar Patel Road, Secunderabad, Telangana – 500003)

- (ii) Financial Year: April to March,2023
- (iii) Dividend Payment Date: The final dividend, if declared by the shareholders at the Thirty Second (32nd) AGM scheduled on 18th September,2023 will be paid within 30 days on and from 18th September,2023.
- (iv) Closure of Register of Members: The Register of Members of the Company shall remain closed from Tuesday,12th September,2023 to Monday, 18th September,2023 (both the days inclusive) for the purpose of dividend and AGM.
- (v) Listing on Stock Exchanges and Stock Code:

BSE Ltd.	National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block
Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001	G, Bandra Kurla Complex, Bandra (E)
Phones: (022) 22721233/4, 91-22-66545695	Mumbai – 400 051
Fax: (022) 22721919	Tel No: (022) 26598100 - 8114
Stock Code: 532486	Fax No: (022) 26598120
	Stock Code: "Pokarna"

Listing fees for the year have been paid to both the above Stock Exchanges.

- (vi) Market Price Data: High and Low during each month in the financial year 2022-23:

Month	BSE		NSE	
	High	Low	High	Low
Apr-22	766.5	642	768.55	642.10
May-22	675	463.05	675.00	461.60
Jun-22	524.95	407.3	525.35	406.55
Jul-22	552.6	415.15	617.75	415.75
Aug-22	645	537	637.75	532.85
Sep-22	569.95	461.55	566.00	461.05
Oct-22	493.5	429.65	494.00	429.20
Nov-22	502.8	427.95	504.00	427.95
Dec-22	454.8	346.1	455.50	358.05
Jan-23	464	356	463.70	356.30
Feb-23	399.6	277.7	399.00	277.00
Mar-23	314	233.75	313.80	233.55

- (vii) Performance of the Company's equity shares (closing share price) in comparison to BSE Sensex and NSE Nifty during the financial year 2022-23:

Pokarna Limited's Share Price at the BSE versus the Sensex for the year 2022-23 is as follows:

Month	Share Price				BSE Sensex			
	High Price	Low Price	Close Price	% Change in close price	High Price	Low Price	Close Price	% Change in close price
Apr-22	766.5	642	667.8	-10.36	60845.1	56009.07	57060.87	-6.22
May-22	675	463.05	515.05	-22.87	57184.21	52632.48	55566.41	-2.62
Jun-22	524.95	407.3	412.85	-19.84	56432.65	50921.22	53018.94	-4.58
Jul-22	552.6	415.15	538.95	30.54	57619.27	52094.25	57570.25	8.58
Aug-22	645	537	553.8	2.75	60411.2	57367.47	59537.07	3.14
Sep-22	569.95	461.55	472.65	-14.65	60676.12	56147.23	57426.92	3.67
Oct-22	493.5	429.65	447.95	-5.28	60786.7	56683.4	60746.59	5.78
Nov-22	502.8	427.95	447.6	-0.078	63303.01	60425.47	63099.65	3.72
Dec-22	454.8	346.1	380.7	-14.94	63583.07	59754.1	60840.74	3.58
Jan-23	464	356	371.8	-2.33	61343.96	58699.2	59549.9	-2.12
Feb-23	399.6	277.7	286.65	-0.22	61682.25	58795.97	58962.12	-0.98
Mar-23	314	233.75	244.1	-14.84	60498.48	57084.91	58991.52	0.05
Apr-23	383.9	244.9	348.95	30.04	60845.1	56009.07	57060.87	-3.27
May-23	418.25	343.3	370	5.68	57184.21	52632.48	55566.41	-2.62
Jun-23	397.55	350.35	386.1	4.35	56432.65	50921.22	53018.94	-4.58

(viii) Name of the Depository with whom the Company has entered into Agreement:

S. No	Depository Name	ISIN Number
1	National Securities Depository Limited	INE637C01025
2	Central Depository Services (India) Limited	INE637C01025

- (ix) **Registrar and Transfer Agents:** Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) is the Company's Registrar and Transfer Agents. Kfintech is a SEBI registered Category I – Registrar to an Issue and Share Transfer Agents. For any queries relating to the equity shares of the Company, the shareholders /investors may contact them at the following address:

Kfin Technologies Limited

Selenium Tower B, Plot 31-32,

Gachibowli, Financial District, Nanakramguda,

Hyderabad - 500 032.

Tel.No.(040) 6716 1616/1527, Fax No. (040) 2342 0814

E-mail Id: einward.ris@kfintech.com

- (x) **Share Transfer Process:** Transfer of shares in physical form is processed by the Company's Registrar and Transfer Agents ("RTA") within fifteen days from the date of lodgement, provided the documents therefor are complete in all respects. All requests for transfer/transmission in physical form after they are processed by the RTA are submitted to the Company for approval. The Company Secretary is authorised by the Board to consider and approve such transfer/transmission requests. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialized form w.e.f. 1st April, 2020. Shareholders who wish to understand the procedure for dematerialisation of shares may contact the Company or its RTA or visit the following link:

NSDL website: <https://nsdl.co.in/faqs/faq.php>

CDSL website: <https://www.cdslindia.com/investors/open-demat.aspx>

- (xi) **Share Transfer Audit:** Various requests regarding share transfers/transmission, issue of duplicate share certificate/s etc. related to shares of the Company are received by the Company or its RTA. Half yearly audit is conducted by independent Practicing Company Secretary to ensure that all such requests pertaining to the shares of the Company are processed within the stipulated time period subject to lodgement of all the necessary documents by the shareholder/investor.
- (xii) **Share Capital Audit:** The issued and paid up share capital is reconciled on a quarterly basis with the details of share capital admitted on National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and held in physical form. The quarterly audit of the Company's share capital is carried out by a Practicing Company Secretary with the objective to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate received from the Practicing Company Secretary is submitted to BSE and NSE and is also placed before the Board of Directors on a quarterly basis.

(xiii) Distribution of Shareholding and Shareholding pattern as on 31st March,2023:

Distribution Schedule As on 31/03/2023 (Total)					
Sno	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	19,074	97.039072	65,34,908	10.538814
2	5001- 10000	279	1.419414	20,31,852	3.276758
3	10001- 20000	163	0.829263	22,88,814	3.691159
4	20001- 30000	47	0.239113	11,60,482	1.871504
5	30001- 40000	18	0.091575	6,62,678	1.068698
6	40001- 50000	16	0.081400	7,38,526	1.191017
7	50001- 100000	24	0.122100	16,22,878	2.617207
8	100001& Above	35	0.178063	4,69,67,862	75.744843
Total:		19,656	100.00	3,10,04,000	6,20,08,000

Details of Shareholding Pattern as on 31st March,2023:

Shareholding Pattern As on 31/03/2023 (Total)				
Sno	Description	No. of Cases	Total Shares	% Equity
1	PROMOTERS	9	1,75,67,385	56.661673
2	RESIDENT INDIVIDUALS	18,526	67,70,311	21.836895
3	MUTUAL FUNDS	4	27,93,909	9.011447
4	BODIES CORPORATES	268	15,51,240	5.003354
5	FOREIGN PORTFOLIO - CORP	9	11,26,255	3.632612
6	ALTERNATIVE INVESTMENT FUND	2	4,12,806	1.331460
7	H U F	395	3,51,798	1.134686
8	NON RESIDENT INDIANS	253	1,76,341	0.568769
9	NON RESIDENT INDIAN NON REPATRIABLE	156	1,23,519	0.398397
10	I E P F	1	84,065	0.271142
11	TRUSTS	7	22,806	0.073558
12	CLEARING MEMBERS	17	17,320	0.055864
13	TRANSIT	8	6,045	0.019497
14	FOREIGN PORTFOLIO INVESTORS	1	200	0.000645
Total		19,656	31004000	100.00

(xiv) Dematerialisation of shares and Liquidity: 99.77 % of the shareholding has been dematerialized as on 31st March,2023.

(xv) Outstanding GDR / ADR / Warrants / Convertible instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDR / ADR / Warrants or any convertible instrument, which is likely to have impact on the Company's Equity.

(xvi) Plant Locations:

Granite Processing:

Unit 1:

Survey No.123, Tooprantpet Village, Choutuppal Mandal, Nalgonda District, Telangana State.

Unit 2:

Survey No. 563, 568 & 574, Aliabad Village, Shameerpet Mandal, R.R. District, Telangana State.

Granite Mines of the Company are situated at certain locations in the States of Telangana, Andhra Pradesh and Tamil Nadu.

Apparel:

Survey No: 33,39,50,51,55,68 & 69, Apparels Export Park, Gundla Pochampally Village, Medchal Mandal, R.R. District, Telangana State.

Pokarna Engineered Stone Limited

Unit 1:

Plot. No: 45, APSEZ, Atchutapuram, Rambilli Mandal, Visakhapatnam District, Andhra Pradesh.

Unit 2:

Sy.Nos. 221,223, Dooskal Village, Farooqnagar Mandal Sy.Nos. 901,902, 908-912, Mekaguda Gram Panchayat Nandigama Revenue Village and Mandal, Ranga Reddy District, Telangana State.

(xvii) Address for correspondence:

Pokarna Limited

105, 1st Floor, Surya Towers,

S.P. Road, Secunderabad – 500003

Telangana, India

Ph: 91 40 27897722

Email: companysecretary@pokarna.com

Website: www.pokarna.com

CIN: L14102TG1991PLC013299

(xviii) Credit Rating: The Company's long-term credit rating by 'CRISIL' continued to be A-/Stable and short-term debt rating at A2+. The Company does not have any fixed deposit scheme or proposal involving mobilisation of funds in India or abroad.

M. Other Disclosures:

- (a) Policies Determining Material Subsidiaries and Related Party Transactions: Pursuant to requirements of Regulation 16 and Regulation 23 of the Listing Regulations, the Board of Directors of the Company has adopted the policies for determining material subsidiaries and on related party transactions and the said policies are available on the Company's website at www.pokarna.com.
- (b) Disclosure on Material Related Party Transactions: There were no materially significant related party transactions entered by the Company during financial year 2022-23. Prior omnibus approval of the Audit Committee was obtained for the transactions which are foreseen and are repetitive in nature. A statement of related party transactions is placed before the Audit Committee and Board on quarterly basis. Transactions with the Related Parties as required under Indian Accounting Standard (Ind AS) – 24, Related Party Transactions, are disclosed in Note No.33 of the financial statements forming part of this Annual Report.
- (c) Penalty or Strictures: The Company has Paid penalty of Rs.11800 to the NSE for Delay/Non-Compliance in Submission of Related Party Transaction as per Regulation 23 of SEBI (LODR) Regulations, 2015.
- (d) Code of Conduct for Prevention of Insider Trading: The Board of Directors of the Company has adopted the code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and employees of the Company. The Company has appointed the Company Secretary as the Compliance Officer to ensure compliance of the said Code by all the Directors and employees likely to have access to unpublished price sensitive information.
- (e) Vigil Mechanism/Whistle Blower Policy: The Company has established Vigil Mechanism/Whistle Blower Policy for the directors and employees to report their genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud. The vigil mechanism provides adequate safeguards against victimisation of employees and directors who avail the vigil mechanism. The Company affirms that no personnel have been denied access to the Audit Committee. The Policy provides that no adverse action shall be taken or recommended against a director or an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This mechanism protects such directors and employees from any unfair or prejudicial treatment by anyone within the Company.
- (f) Commodity price risk or foreign exchange risk and hedging activities: The Company does not deal with any commodity and hence not exposed to any commodity price risk. Management Discussion and Analysis sets out the risks identified and the mitigation plans thereof. As on 31st March, 2023, the Company has foreign exchange receivable of Rs.177.37 Lakhs and the foreign exchange payable as on 31st March, 2023 is Rs.559.49 Lakhs.
- (g) Proceeds from public issues, rights issues, preferential issues: During the year, the Company did not raise any funds by way of public issues, rights issues, preferential issues etc.
- (h) Company Secretary in Practice Certification: In accordance with the Listing Regulations, the Company has obtained the certificate from a practicing company secretary confirming that as on 31st March, 2023, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority and the same is appended to this Report.
- (i) Recommendations of the Committees: During the year under review, the Board has accepted the recommendations, which are required to be made by the Committees constituted.
- (j) Total Fees Paid to Statutory Auditors: Total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which the Statutory Auditors are is Rs 24 Lakhs.
- (k) Disclosures related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The Company has not received any complaints relating to sexual harassment of women during the financial year 2022-23. No complaints were pending as at end of the financial year.
- (l) Disclosure with respect to Demat suspense account/ unclaimed suspense account: The Company does not have any equity shares lying in the Demat suspense account/ unclaimed suspense account of the Company as on 31st March, 2023. Hence disclosures required under Part F of Schedule V of the Listing Regulations.

(m) Certifications

- i. The Chairman & Managing Director (CMD) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 33(2)(a) of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31st March 2023. The CMD and Chief Financial Officer have also issued compliance certificate to the Board pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.
 - ii. A certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this Annual Report.
- (n) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

The listed entity and its subsidiaries have not given Loans and advances in the nature of loans to firms/companies in which directors are interested.

(o) Details of material subsidiaries of the listed entity:

Name and CIN of the Company	Pokarna Engineered Stone Limited (U17219TG2001PLC036015)
Date of Incorporation	08/01/2001
Place	Secunderabad-Telangana
Name of Statutory Auditors	M/s. K.C. Bhattacharjee & Paul, Chartered Accountants (Firm Registration No. 303026E.
Date of Appointment	14th September, 2018

N. SEBI Complaints Redress System (SCORES):

The Investor's Complaints are also being processed through the centralized web base complaint Redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints. SEBI vide its Circular dated 26th March 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redressmechanism-new-policy-measures_38481.html.

O. Compliance with Mandatory/Non-Mandatory Requirements:

The Company has complied with all the mandatory requirements of corporate governance specified in Listing Regulations. The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II to the Listing Regulations and are being reviewed from time to time.

Declaration

I confirm that the Company has obtained the confirmation from all its Directors and Senior Management Personnel that they have complied with the provisions of the Code of Conduct for the financial year 2022-23.

Date: 25th May, 2023

Place: Secunderabad

Gautam Chand Jain
Chairman & Managing Director
DIN:00004775

COMPLIANCE CERTIFICATE

Pursuant to Regulation 17(8 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We the undersigned hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the F.Y. 2022-23 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation internal controls of which we are aware and also the steps taken by the Company, to rectify such deficiencies.
- D. We have indicated to the auditors and the Audit committee that were:
- 1) No significant changes in internal control over financial reporting during the year;
 - 2) No significant changes in accounting policies during the year; and
 - 3) No instances of significant fraud, in which the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting, of which we became aware of.

For Pokarna Limited

Date: 25th May, 2023
Place: Secunderabad

Sd/-
Gautam Chand Jain
Chairman & Managing Director
DIN: 00004775

Sd/-
M. Viswanatha Reddy
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Pokarna Limited
Hyderabad

Sub-Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

I, K.V.Chalama Reddy, Practicing Company Secretary have examined the Company and Registrar of Companies records, books and papers of Pokarna Limited (CIN: L14102TG1991PLC013299) having its Registered Office at 01st Floor, 105, Surya Towers, Secunderabad- 500003 Telangana State, India ("the Company") as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable Rules and Regulations made thereunder for the Financial Year ended on 31st March, 2023.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2023:

List of Directors of the Company as on 31st March, 2023:

S. No	DIN	Name of the director	Designation
1)	00004775	Gautam Chand Jain	Chairman and Managing Director
2)	00008449	Mahender Chand	Independent Director
3)	00012265	Yugandhar Meka	Independent Director
4)	00084490	Prakash Chand Jain	Non-independent director
5)	00229415	Vinayakrao Juvvadi	Independent Director
6)	00576447	Rahul Jain	Managing Director
7)	06933924	Apurva Jain	Whole time director
8)	09007808	Jayshree Rajesh Sanghani	Independent Woman Director

Place: Hyderabad
Date: 25th May, 2023

K. V. Chalama Reddy
Practising Company Secretary
M.NO:F9268, CP.NO:5451
UDIN number: F009268E000371927
PR No.: 2301/2022

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members of Pokarna Limited

I have examined the compliance of the conditions of Corporate Governance by Pokarna Limited ("Company"), and examine the records for the purpose of certifying compliance of the conditions of the Corporate Governance as specified in regulations 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), for the financial year ended 31st March, 2023. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of our information and according to the explanations and information furnished to us, and based on the representations made by the Directors and the management, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing regulations"), as applicable for the said financial year ended 31st March, 2023

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 25th May, 2023

K.V. Chalama Reddy
Practicing Company Secretary
F C S: 9268, C.P.No:5451
UDIN number: F009268E000371916
PR No.:2301/2022

The cover page features a solid mustard yellow background. Two large, light gray geometric shapes, resembling stylized triangles or chevrons, are positioned in the top right and bottom left corners. These shapes are defined by thin, dotted lines. The text "Financial Statements" is centered in the middle of the page in a white, serif font.

Financial Statements

Independent Auditor's Report

To
The Members of
Pokarna Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited accompanying financial statements of Pokarna Limited ('the Company'), which comprise of the balance sheet as at March 31, 2023, the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereafter referred to as "the audited standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independent requirement that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S No.	Key Audit Matter	Auditors Response
1	Contingent Liabilities and Commitments: <p>The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis of the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.</p>	Principal Audit Procedures : <p>Our audit procedures included the following:</p> <p>we understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities;</p> <p>we held discussions with the person responsible for legal and compliance to obtain an understanding of the factors considered in classification of the matter as 'probable' and 'possible';</p> <p>we read the correspondence from competent authorities and considered legal opinion obtained by the Company from external law firms to challenge the basis used for provisions recognised or the disclosures made in the financial statements.</p> <p>For those matters where Company concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.</p>

S No.	Key Audit Matter	Auditors Response
2	<p>Inventory of raw material, Work in Progress and Finished Goods (Valuation) –</p> <p>Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). Considering the nature of finished goods consisting of raw blocks, granite slabs, garments etc., which is dependent upon various market conditions and evaluating possible impact of quality, class, size and ageing, determination of the net realizable value for goods involves significant management judgement and therefore has been considered as a key audit matter.</p>	<p>With respect to the net realisable value:</p> <ul style="list-style-type: none"> obtained an understanding of the determination of the net realizable values of raw blocks, granites, cut slabs, garments and assessed and tested the reasonableness of the significant judgements applied by the management; evaluated the design of internal controls relating to the valuation of finished goods/work in progress and finished goods and also tested the operating effectiveness of the aforesaid controls; assess the reasonableness of the net realisable value considering the market condition and evaluating possible impact of quality, class, size and ageing that was estimated and considered by the management; compared the actual costs incurred to sell based on the latest sale transactions to assess the reasonableness of the cost to sell that was estimated and considered by the management; compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value; tested the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.
3	<p>IT systems and controls over financial reporting</p> <p>We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. Also, due to such large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant.</p> <p>Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.</p>	<p>Our procedures included and were not limited to the following:</p> <p>Assessed the complexity of the IT environment by engaging IT specialists and through discussion with the head of IT and internal audit and identified IT applications that are relevant to our audit.</p> <p>Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations by engaging IT specialists.</p> <p>Performed inquiry procedures in respect of the overall security architecture and any key threats addressed by the Company in the current year.</p> <p>Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company by engaging IT specialists.</p>

Information Other than the Standalone financial statement and our Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's Responsibility for the Standalone financial statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the Standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other comprehensive income, the standalone statement of change in equity, and the standalone statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- h) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Standalone financial statements – Refer Note.34;
 - ii. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts. The Company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the end of the year;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend paid by the Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. As stated in note.43 to the Standalone financial statements, the Board of Directors of the Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (Edit Log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of companies (Audit & Auditors) Rules, 2014 is not applicable for the financial ended March 31, 2023.

For S. DAGA & CO.,
Chartered Accountants
(ICAI FRN: 0000669S)

(Shantilal Daga)

Partner

Place: Hyderabad
Date: 25th May, 2023

Membership No. 011617
UDIN No. 23011617BGYYBR7158

Annexure - A to the Independent Auditors' Report

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets –

(ai) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.

(aaii) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by

which all assets are verified in a phased manner over a period of one year. In accordance with this programme, the Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) i) We report that the title deeds comprising of immovable properties of Land and Building which are freehold are held in the name of the company as on the Balance sheet date, except for the following:

Description of item of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reasons for not being held in name of company
Land	6.77	Promoter & Non Executive Director	Yes	Since 1997	Transfer formalities are pending
Land	2.67	Erstwhile seller	Not Applicable	Since 1997	Transfer formalities are pending
Land	19.00	Government Land	Not Applicable	Since 2004	Transfer formalities are pending
Total	28.44				

(c) ii) In respect of immovable properties of Land and Building that have been taken on Lease and disclosed as Property, Plant and Equipment in the standalone financial statements, the lease agreements are in the name of the Company, where the company is the Lessee in the agreement.

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(b) The Company is having working capital limits in excess of ₹ 5 crores from banks on the basis of primary security of current assets of the Company. The quarterly stock and receivables statements filed by the company with such banks are in agreement with the books of accounts of the Company.

iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and has not granted unsecured loans to other parties, during the year, in respect of which:

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are prima facie, not prejudicial to the Company's interest.

(c) The Company has not given any loans or advances in the nature of loans and hence the schedule of repayment of principal and interest has not been stipulated for repayment and therefore the receipt of interest does not apply.

(d) The Company has not given any loans or advances and therefore reporting under clause 3(iii)(d) of the Order is not applicable.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under and hence reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government of India, the maintenance of cost records specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts

and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.

There were no undisputed amounts payable in respect of Good and Service tax, provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable except advance income tax of ₹ -Nil- (Prev. Year 28.68 lakhs).

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Sl. No	Name of the Statute	Nature of dues	Amount ₹ In lakhs	Period to which the amount relates	Forum where dispute is pending	₹ In Lakhs
						Remarks if any Paid under dispute ₹ in lakhs
1	Finance Act, 1994	Service Tax	247.50 (247.50)	2007-2017	Customs, Excise & Service Tax appellate tribunal and Superintendent of Service Tax	23.06 (23.06)
2	Central Excise Act, 1944	Excise Duty	148.84 (148.84)	2007-16	Customs, Excise & Service Tax appellate tribunal and Addl. Commissioner of Central Excise	Nil
3	Customs Act, 1962	Customs Duty	75.91 (75.91)	2003-11	Customs, Excise & Service Tax Appellate tribunal	Nil
4	Income Tax Act, 1961	Income Tax	144.45 (149.27)	2000-01 to 2002-03 & 2005-06, 2016-17	High Court of Andhra Pradesh & Commissioner of Income Tax	Nil Nil
5	AP Vat Act, 2005 & Central Sales Tax Act, 1956	VAT & CST	266.05 (266.05)	2011-12, 2013-14 2014-15 & 2017-18	Deputy Commissioner of Commercial Taxes	34.97 (34.97)
6	Goods & Service Tax	GST	71.65 (37.74)	2017 to 19	Dy Commissioner of GST	Nil
Total			954.40 (925.31)			58.03 (58.03)

(Previous year figures are in brackets)

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The company has not defaulted in repayment of loans or borrowings to banks as at the Balance Sheet date.
- (b) The company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) On the basis of our review of utilization of funds pertaining to term loans on overall basis, the term loans taken by the company has been utilized for the purpose of which they were obtained.

- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section(12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken in to consideration the whistle blower complaints received by the Company during the year and till date of this report, while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi company and hence paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. In our Opinion the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable Indian Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. During the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence reporting under paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. (a) In our opinion, the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a), (b) and (c) of the order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Corporate Social Responsibility (CSR) provisions are not applicable to the company for the current and previous financial year as the company is not satisfying the criteria specified in section 135(1) of the Act. Accordingly, clause 3(xx) (a) and 3(xx)(b) of the Order are not applicable.

For S. DAGA & CO.,
Chartered Accountants
(ICAI FRN: 0000669S)

(Shantilal Daga)
Partner

Place: Hyderabad
Date: 25th May, 2023

Membership No. 011617
UDIN No. 23011617BGYYBR7158

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls with reference to the Standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Standalone financial statements of Pokarna Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the Standalone financial statements over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over financial reporting issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Standalone financial reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls which refer to Standalone financial statement

Because of the inherent limitations of internal financial controls over standalone financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. DAGA & CO.,
Chartered Accountants
(ICAI FRN: 0000669S)

(Shantilal Daga)

Partner

Place: Hyderabad

Date: 25th May, 2023

Membership No. 011617

UDIN No. 23011617BGYYBR7158

Standalone Balance Sheet

as at March 31, 2023

		₹ In lakhs	
Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	7320.52	7984.43
(b) Capital work-in-progress		21.11	79.37
(c) Intangible assets	3	40.07	44.39
(d) Financial assets			
(i) Investments	4	6116.38	6116.38
(ii) Loans	5(A)	128.35	159.55
(iii) Other financial assets	6(A)	685.02	329.86
(e) Other non-current assets	7(A)	6.40	10.01
Total non-current assets		14317.85	14723.99
II Current assets			
(a) Inventories	8	3249.91	3739.39
(b) Financial assets			
(i) Trade receivables	9	934.66	770.92
(ii) Cash and cash equivalents	10	63.71	319.77
(iii) Bank balances other than (ii) above	11	86.63	84.52
(iv) Loans	5(B)	292.28	304.53
(v) Other financial assets	6(B)	3.99	2.73
(c) Current tax assets	12	17.89	5.30
(d) Other current assets	7(B)	515.04	489.56
Total current assets		5164.11	5716.72
TOTAL ASSETS		19481.96	20440.71
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	13	620.08	620.08
(b) Other equity	14	12226.16	12299.35
Total equity		12846.24	12919.43
Liabilities			
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15(A)	1658.30	1762.54
(ia) Lease liabilities	16(A)	236.43	208.60
(b) Provisions	18(A)	329.63	335.85
(c) Deferred tax liabilities (net)	19	141.89	205.18
Total non-current liabilities		2366.25	2512.17
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15(B)	2513.16	2723.78
(ia) Lease liabilities	16(B)	71.63	92.71
(ii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		0.78	0.91
b) total outstanding dues of creditors other than micro enterprises and small enterprises		386.82	580.91
(iii) Other financial liabilities	17	10.63	11.02
(b) Other current liabilities	21	1256.93	1506.16
(c) Provisions	18(B)	29.52	26.48
(d) Current tax liabilities (net)	22	-	67.14
Total current liabilities		4269.47	5009.11
TOTAL EQUITY AND LIABILITIES		19481.96	20440.71
Notes forming part of the financial statements	1 - 45		

In terms of our report attached

For **S.Daga & Co.**
Chartered Accountants
(F.No.000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25th May, 2023
UDIN NO. 23011617BGYYBR7158

For and on behalf of Board of Directors

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Rahul Jain
Managing Director
(D.No: 00576447)

M Viswanatha Reddy
Chief Financial Officer

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Disha Jindal
Company Secretary

Standalone Statement of Profit and Loss

for the Year ended March 31, 2023

₹ In lakhs

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from operations	23	6099.89	6970.29
II Other income	24	319.78	60.11
III Total income		6419.67	7030.40
IV Expenses:			
a) Cost of raw material consumed	25	397.76	648.89
b) Purchase of stock-in-trade		69.65	102.37
c) Changes in stock of finished goods, work-in-progress and stock-in-trade	26	307.91	(576.82)
d) Employee benefits expense	27	1562.15	1683.68
e) Depreciation and amortization expense	28	835.88	895.80
f) Finance costs	29	441.21	427.29
g) Other expenses	30	2781.85	3812.22
Total expenses		6396.41	6993.43
V Profit before tax (III-IV)		23.26	36.97
VI Tax expense:	31		
a) Current tax		25.01	103.33
b) Deferred tax		(76.20)	(74.75)
Total tax expense		(51.19)	28.58
VII Profit after tax (V-VI)		74.45	8.39
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss		51.29	106.62
(ii) Income tax relating to items that will not be reclassified to profit or loss		(12.91)	(26.83)
Total other comprehensive income		38.38	79.79
IX Total comprehensive income for the year (VII+VIII)		112.83	88.18
X Earnings per share - Basic and Diluted (in ₹)	32	0.24	0.03
XI Nominal Value of share (in ₹)		2.00	2.00
Notes forming part of the financial statements	1 - 45		

In terms of our report attached

For **S.Daga & Co.**
Chartered Accountants
(F.No.000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25th May, 2023
UDIN: 23011617BGYYBR7158

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Executive Director
(D.No: 06933924)

Disha Jindal
Company Secretary

Standalone Statement of Changes in Equity

for the Year ended 31st March, 2023

A) Equity Share Capital

					₹ In lakhs
Particulars	Balance as at 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April 2022	Changes in equity share capital during the year	Balance as at 31st March 2023
Equity shares of ₹ 2/- each issued,Subscribed and fully paidup	620.08	-	620.08	-	620.08

					₹ In lakhs
Particulars	Balance as at 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April 2021	Changes in equity share capital during the year	Balance as at 31st March 2022
Equity shares of ₹ 2/- each issued,Subscribed and fully paidup	620.08	-	620.08	-	620.08

B) Other Equity

					₹ In lakhs
Particulars	General Reserve	Retained earnings	Securities Premium	Other Comprehensive Income	Total Equity
Balance as at 01.04.2022	980.36	10994.30	73.96	250.73	12299.35
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	980.36	10994.30	73.96	250.73	12299.35
Total Comprehensive Income for the year	-	-	-	38.38	38.38
Dividends	-	(186.02)	-	-	(186.02)
Transfer to Retained earnings	-	74.45	-	-	74.45
Balance as at 31.03.2023	980.36	10882.73	73.96	289.11	12226.16

					₹ In lakhs
Particulars	General Reserve	Retained earnings	Securities Premium	Other Comprehensive Income	Total Equity
Balance as at 01.04.2021	980.36	11171.94	73.96	170.94	12397.20
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	980.36	11171.94	73.96	170.94	12397.20
Total Comprehensive Income for the year	-	-	-	79.79	79.79
Dividends	-	(186.03)	-	-	(186.03)
Transfer to Retained earnings	-	8.39	-	-	8.39
Balance as at 31.03.2022	980.36	10994.30	73.96	250.73	12299.35

In terms of our report attached

For **S.Daga & Co.**
Chartered Accountants
(F.No.000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25th May, 2023
UDIN: 23011617BGYYBR7158

For and on behalf of Board of Directors

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

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M Viswanatha Reddy
Chief Financial Officer

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Disha Jindal
Company Secretary

Standalone Statement of Cash Flow

for the year ended March 31, 2023

₹ In lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) Cash flows from operating activities		
Profit before taxes	23.26	36.97
Adjustments:		
Depreciation and amortization expense	835.88	895.80
Loss/ (Profit) on Sale of property, plant and equipment (Net)	0.88	29.25
Gain on modification of lease	(8.03)	(8.56)
Unrealized foreign exchange (gain) / loss (Net)	61.59	(28.51)
Credit Balances written back	-	(17.82)
Provision no longer required written back	(6.00)	-
Allowances for Credit losses	27.34	(6.24)
Bad Debts written off	-	16.98
Debit balance written off	-	16.79
Finance costs	430.54	410.48
Dividend Income	(250.24)	-
Interest income	(15.49)	(10.95)
Operating profit before working capital changes	1099.73	1334.19
Changes in working capital and other provisions:		
(Increase)\Decrease in Trade Receivables	(190.55)	311.39
(Increase)\Decrease in Inventories	489.50	(336.17)
(Increase)\Decrease in Financial Assets	(313.77)	(0.99)
(Increase)\Decrease in Non - Financial Assets	(22.27)	194.83
Increase\ (Decrease) in Provisions	2.83	(20.33)
Increase\ (Decrease) in Non - Financial Liabilities	-	-
Increase\ (Decrease) in Trade and Other Payables	(370.98)	(129.63)
Cash generated from operations	694.49	1353.29
Income taxes paid, net	(104.74)	(82.37)
Net cash from/(used in) operating activities	589.75	1270.92
(B) Cash flows from investing activities		
Purchase of property, plant and equipment	(63.97)	(227.30)
Proceeds from sale of property, plant and equipment	30.48	81.05
Interest income	14.17	10.99
Dividend Income	250.24	-
Net cash from / (used in) investing activities	230.92	(135.26)
(C) Cash flows from financing activities		
Proceeds from Non-current borrowings (including current maturities)	315.52	59.62
Repayment of Non-current borrowings (including current maturities)	(546.71)	(538.52)
(Repayment) / Proceeds from Current borrowings (Net)	(615.25)	(71.05)
Principal payments of Lease Liabilities	(86.48)	(84.24)
Interest expense (including lease liabilities)	(407.58)	(365.06)
Dividend paid	(186.02)	(186.03)
Net cash generated in financing activities	(1526.52)	(1185.28)
Net increase/ (decrease) in cash and cash equivalents	(705.85)	(49.62)
Add: cash and cash equivalents at the beginning of the year	(873.23)	(863.26)
Effect of exchange gain on cash and cash equivalents	16.16	39.65
Cash and cash equivalents at the end of the year (refer note. 10.1)	(1562.92)	(873.23)

Standalone Statement of Cash Flow

for the year ended March 31, 2023

				₹ In lakhs
Change in Liability arising from Financing Activities	1st April 2022	Cashflow	Foreign Exchange movement/ others	As at 31st March, 2023
Borrowing- Non-current (including current maturities)	2190.49	(231.19)	64.40	2023.70
Borrowing - Current	1102.83	(615.25)	33.55	521.13
Lease liability (including current maturities)	301.31	(86.48)	93.23	308.06
	3594.63	(932.92)	191.18	2852.89

				₹ In lakhs
Change in Liability arising from Financing Activities	1st April 2021	Cashflow	Foreign Exchange movement/ others	As at 31st March, 2022
Borrowing- Non-current (including current maturities)	2623.97	(478.90)	45.42	2190.49
Borrowing - Current	1159.57	(71.05)	14.31	1102.83
Lease liability (including current maturities)	352.38	(84.24)	33.17	301.31
	4135.92	(634.19)	92.90	3594.63

In terms of our report attached

For **S.Daga & Co.**
Chartered Accountants
(F.No.000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25th May, 2023
UDIN NO. 23011617BGYYBR7158

For and on behalf of Board of Directors

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Rahul Jain
Managing Director
(D.No: 00576447)

M Viswanatha Reddy
Chief Financial Officer

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Disha Jindal
Company Secretary

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

1 Corporate information

The standalone financial statements comprise financial statements of Pokarna Limited (the "Company") for the year ended 31st March, 2023. The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at 105, Surya Towers, SP Road, Secunderabad - 500003, Telangana, India. The company is principally engaged in the business of quarrying, manufacturing & processing and selling of Granite & manufacturing and selling of Apparel under the brand name 'Stanza'. Granite manufacturing & processing units are 100% EOU's.

2 Basis of preparation, measurement and significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

2.1 Basis of preparation and measurement

(a) Basis of preparation

The financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

(b) Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve month period from the balance sheet date.

2.2 Key accounting judgement, estimates and assumptions:

The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying

assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

2.3 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

2.4 Significant accounting policies

A Property, plant and equipment

An item of property, plant and equipment is recognized as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

costs, including regular servicing, are recognized in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognized. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalized. Borrowing costs incurred during the period of construction is capitalized as part of cost of the qualifying assets. The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognized in the statement of profit and loss. Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

B Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortization is provided so as to write off, on a straight line basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use. Depreciation on assets under construction commences only when the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are determined with reference to Schedule II to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Freehold land is not depreciated.

C Intangible assets

(i) Intangible assets are stated at cost less accumulated amortization or impairment. Intangible assets are amortized on their estimated useful life of assets.

(ii) Stripping costs

The Company separates two different types of stripping costs that are incurred in surface mining activity:

- (a) Developmental stripping costs and
- (b) Production stripping costs

Developmental stripping costs which are incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalized as part of mining assets. Capitalization of developmental stripping costs ends when the commercial production of the mineral reserves begins. Production stripping costs are incurred to raw granite in the form of inventories and/or to improve access to deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realized in the form of inventories. The Company recognizes a stripping activity asset in the production phase if, and only if, all of the following are met:

- (i) It is probable that the future economic benefit (improved access to the mine) associated with the stripping activity will flow to the Company
- (ii) The Company can identify the component of the mine for which access has been improved and
- (iii) The costs relating to the improved access to that component can be measured reliably. Such costs are presented within mining assets (Intangible Assets). After initial recognition, stripping activity assets are carried at cost less accumulated amortization and impairment. The Stripping activity assets are amortized based on cost of inventory produced compared with expected cost.

D Provision for decommissioning, site restoration and environmental costs

Under Ind AS, cost of an item of property, plant and equipment or intangible assets includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Such cost of decommissioning, restoration or similar liability is to be added to or deducted from the cost of

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for the Year ended 31 March, 2023

the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life.

The Company has liabilities related to restoration of mines and other related works, which are due upon the closure of certain of its production sites. Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using a discount rate where the effect of time value of money is material. The effect of the time value of money on the restoration and environmental costs liability is recognized in the statement of profit and loss.

E Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

"In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for trade receivables."

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the statement of profit and loss. This amount is reflected in a separate line in the statement of profit and loss as an impairment gain or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each

reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of assets, impairment losses recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

F Leases

(i) As a Lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2020, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

application (1st April, 2020). Accordingly, previous period information has not been restated. The Company's lease asset classes primarily consist of leases for Land and Buildings, Retail Outlets, Vehicles and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(ii) As a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

G Financial instruments

(i) Financial assets

All financial assets are initially recognized at fair value except trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal

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for the Year ended 31 March, 2023

right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The Company's financial assets include security deposits, cash and cash equivalents, trade receivables and deposits with banks. Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Investment in subsidiaries:

The Company has accounted for its investments in subsidiaries at cost.

(ii) Financial liabilities

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company financial liabilities include Loans and borrowings and trade and other payables.

H Cash and bank balances:

Cash and bank balances consist of:

- (i) Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than three months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage. For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdraft but including other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.
- (ii) Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

I Employee benefits

(i) Short term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid towards bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post -employment benefits:

Defined contribution plans:

Provident Fund

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Employer contribution is charged to statement

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

of profit and loss. Amounts collected under the provident fund plan are deposited with in a Government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions. Employee state Insurance Scheme Eligible employees of the Company are covered under "Employees State Insurance Scheme Act 1948", which are also defined contribution schemes recognized and administered by Government of India. The Company's contributions to these schemes are recognized as expense in statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

Defined benefit plans:

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Company gratuity Scheme.

The Company recognizes the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in the statement of profit and loss.

Other long-term employee benefits

The liabilities for compensated absences which are not expected to occur within twelve months are measured as the present value of expected

future payments to be made in respect of services provided by employees up to the end of the reporting period using projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods.

Company uses updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

J Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, Stores and Spares, Consumables, Packing materials and traded goods are valued at Cost on First-In-First-Out (FIFO) basis. Cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition on normal operating capacity. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and appropriate portion of variable and fixed overhead expenditure, computed on normal capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The company assess the valuation of Inventories at each reporting period and write down the value for different finished goods based on their quality classes and ageing. Inventory provisions are provided to cover risks arising from slow-moving items, discontinued products, and net realizable value lower than cost. The process for evaluating these write-offs often requires to make subjective judgments and estimates, based primarily on historical experience, concerning prices at which such inventory will be able to be sold in the normal course of business, to the extent each of these factors impact the Company's business.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

K Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

L Government grants

Effective from 01st April 2018, the Company has adopted and opted Ind AS 20 policy for 'Accounting for Government Grants and Disclosure of Government Assistance' from 'Deferred Income recognised in Statement of Profit and Loss on a systematic basis over the useful life of the assets' to 'Option of deducting the same from carrying value'.

M Non-current assets held for sale

Non-current assets comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in the statement of profit and loss. Gains are not recognized in excess of any cumulative impairment loss. Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognized on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

N Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of profit and loss except relating to items recognized directly in equity or in other comprehensive income.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognized and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Company determines the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

O Revenue

Revenue is recognized at the amount of transaction price (net of variable consideration) when the performance obligations under contract are fulfilled and there are no unfulfilled obligations and amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company. The specific recognition criteria described below must also be met before revenue is recognized:

Goods Sold: Revenue from sale of goods are recognized when controls of the product are transferred in accordance with the terms of sale, and there is no unfulfilled obligation that could affect the customers' acceptance of the products and is net of trade discounts, sales returns, where applicable. accordingly export and domestic revenue is recognized when the performance obligations in our contracts are fulfilled.

Rendering of services: Revenue recognition is based on the terms and conditions as per the contracts entered into / understanding with the customers and the service is performed and there are no unfulfilled obligations. All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of

sales incentives, discounts based on the terms of the contract and applicable indirect taxes. When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered a separate unit of account is accounted for separately. The allocation of the consideration from revenue arrangement to its separate units of account is based on the relative fair value of each unit.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend Income is recognized when the company's right to receive the payment has been established.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Expenditure

Expenditure is accounted on accrual basis.

P Foreign currency

Items included in the financial statements of the Company are recorded using the currency of the primary economic environment (INR) in which the Company operates (the 'functional currency'). Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the Statement of profit and loss of the year.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are not translated.

The transactions like receipt or payment of advance consideration in a foreign currency are translated at the rates on the date of transaction. The date of transaction for the purpose of determining exchange rate is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

Q Finance income and finance cost

Finance income comprises interest income on funds invested and dividend income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and lease liabilities, unwinding of the discount on provisions, impairment losses recognized on financial assets, interest expense and penalties related to income tax.

R Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

S Segment reporting

Each of the reportable segments derives its revenues from the main products and hence these have been identified as reportable segments by the Group's chief operating decision maker ("CODM"). Segment revenue, result, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and unallocated corporate liabilities respectively.

T Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

U Dividend declared

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders, a corresponding amount is recognized directly in equity.

V Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

Notes to Standalone Financial Statements for the Year ended 31 March, 2023

3. Property, plant and equipment & Intangible assets

Particulars	₹ In lakhs	
	As at 31st March 2023	As at 31st March 2022
Property, plant and equipment		
A. Owned Assets	7062.22	7739.86
B. ROU Leased Assets	258.30	244.57
Total	7320.52	7984.43
Owned - Intangible assets	40.07	44.39

A. Owned Assets

Particulars	Property, plant and equipment							Intangible assets			₹ In lakhs	
	Land	Buildings	Factory & quarry buildings	Plant & equipment	Vehicles	Furniture & fixtures	Office equipment	Total of property, plant and equipment	Trade marks & brand name	Stripping cost activity asset		Total of Intangible assets
1. Deemed cost (Gross carrying amount)												
Balance as at 1st April 2021	676.17	58.07	3765.40	15416.66	831.83	608.07	442.27	21798.47	382.80	65.95	448.75	
Additions	(15.78)	-	35.59	184.06	51.65	-	4.96	276.26	-	-	-	
Disposals/ transfer		-	-	(379.41)	(26.62)	(91.38)	-	(513.19)	-	-	-	
Balance as at 31st March 2022	660.39	58.07	3800.99	15221.31	856.86	516.69	447.23	21561.54	382.80	65.95	448.75	
Balance as at 1st April 2022	660.39	58.07	3800.99	15221.31	856.86	516.69	447.23	21561.54	382.80	65.95	448.75	
Additions	0.25	-	55.85	39.12	2.54	-	-	97.76	-	-	-	
Disposals/ transfer		-	-	(270.60)	(18.52)	(277.10)	-	(566.22)	-	-	-	
Balance as at 31st March 2023	660.64	58.07	3856.84	14989.83	840.88	239.59	447.23	21093.08	382.80	65.95	448.75	
2. Accumulated Depreciation												
Balance as at 1st April 2021	-	41.26	1550.82	10346.87	578.09	504.18	404.37	13425.59	382.80	17.25	400.05	
Depreciation/ amortisation for the year	-	1.02	112.09	587.39	72.63	17.39	8.46	798.98	-	4.31	4.31	
Disposals/ transfers	-	-	-	(318.13)	(25.74)	(59.02)	-	(402.89)	-	-	-	
Balance as at 31st March 2022	-	42.28	1662.91	10616.13	624.98	462.55	412.83	13821.68	382.80	21.56	404.36	
Balance as at 1st April 2022	-	42.28	1662.91	10616.13	624.98	462.55	412.83	13821.68	382.80	21.56	404.36	
Depreciation/ amortisation for the year	-	1.02	113.30	558.65	53.70	11.48	5.88	744.03	-	4.32	4.32	
Disposals/ transfers	-	-	-	(254.03)	(17.60)	(263.22)	-	(534.85)	-	-	-	
Balance as at 31st March 2023	-	43.30	1776.21	10920.75	661.08	210.81	418.71	14030.86	382.80	25.88	408.68	
3. Carrying amount (net)												
At 31st March 2022	660.39	15.79	2158.08	4605.18	231.88	54.14	34.40	7739.86	-	44.39	44.39	
At 31st March 2023	660.64	14.77	2080.63	4069.08	179.80	28.78	28.52	7062.22	-	40.07	40.07	

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

3. Property, plant and equipment & Intangible assets (Contd..)

3.1) Some of the assets acquired out of finance are under Hypothecation.

3.2) Details of security of property, plant and equipment subject to charge to secured borrowings - refer note. 15.1

3.3) Land includes cost of land admeasuring Acres 2.11 cents, which has been disputed by third parties pending disposal.

3.4) Title deeds of Immovable Properties not held in name of the Company ₹ In lakhs

₹ In lakhs						
Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Relationship with Title holder	Property held Since which date	Reasons for not being held in the name of the company
Property, Plant & Equipment	Land	6.77	Promoter & Non Executive Director	NA	Since 1997	Transfer formalities are pending
Property, Plant & Equipment	Land	2.67	Erstwhile seller	NA	Since 1997	Transfer formalities are pending
Property, Plant & Equipment	Land	19.00	Government Land	NA	Since 2004	Transfer formalities are pending
Total		28.44				

3.5) Capital work-in-progress ₹ 21.11 lakhs (previous year ₹ 79.37 lakhs)

Capital work-in-progress ageing schedule as at 31st March 2023

₹ In lakhs					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.11	-	-	-	21.11
Projects temporarily suspended	-	-	-	-	-

Capital work-in-progress ageing schedule as at 31st March 2022

₹ In lakhs					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	77.97	1.40	-	-	79.37
Projects temporarily suspended	-	-	-	-	-

B. ROU Leased Assets *

₹ In lakhs	
Particulars	Buildings
1. Deemed cost (Gross carrying amount)	
Balance as at 1st April 2021	484.03
Additions	67.30
Disposals/ transfer	(70.43)
Balance as at 31st March 2022	480.90
Balance as at 1st April 2022	480.90
Additions	118.96
Disposals/ transfer	(60.96)
Balance as at 31st March 2023	538.90

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

3. Property, plant and equipment & Intangible assets (Contd..)

		₹ In lakhs
Particulars		Buildings
2. Accumulated Depreciation		
Balance as at 1st April 2021		188.70
Depreciation/ amortisation for the year		92.51
Disposals/ transfers		(44.88)
Balance as at 31st March 2022		236.33
Balance as at 1st April 2022		236.33
Depreciation/ amortisation for the year		87.53
Disposals/ transfers		(43.26)
Balance as at 31st March 2023		280.60
3. Carrying amount (net)		
At 31st March 2022		244.57
At 31st March 2023		258.30

* refer Note 39

4 Investments

		₹ In lakhs
Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade - unquoted		
Non-current - at cost		
In subsidiary companies -		
Equity shares of Pokarna Engineered Stone Limited		
100000 (previous year 100000) Equity Shares of ₹ 10/- each	10.00	10.00
4070584 (previous year 4070584) Equity Shares of ₹ 10/-each (at a premium of ₹ 140/-)	6105.88	6105.88
Equity shares of Pokarna Foundation		
5000 (previous year 5000) Equity Shares of ₹ 10/- each	0.50	0.50
Total	6116.38	6116.38

5 Loans

		₹ In lakhs
Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Non-current loans		
Loan receivables considered good -unsecured		
Other loans	128.35	159.55
Total	128.35	159.55
B. Current loans		
Loan receivables considered good -unsecured		
Other loans	291.68	304.53
Loans to employees	0.60	-
Total	292.28	304.53

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

6 Other financial assets

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
A. Non-current financial assets		
Unsecured, considered good		
Deposits with maturity for more than 12 months		
Margin money given against a bank guarantee/letter of credit	54.38	5.08
Interest accrued on fixed deposits	0.35	0.30
Security deposit	630.29	324.48
Total	685.02	329.86
B. Current financial assets		
Unsecured, considered good		
Interest accrued on fixed deposits	3.99	2.73
Total	3.99	2.73

6.1 Security deposit includes ₹ 117.30 lakhs (previous year ₹ 128.28 lakhs) pledged to mines & geology and other departments.

7 Other assets

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
A. Non-current assets		
Unsecured, considered good		
Capital advances	2.39	2.79
Defer lease rentals	4.01	7.22
Total	6.40	10.01
B. Current assets		
Unsecured, considered good		
Indirect taxes receivable	76.68	124.32
Advance to suppliers	216.48	230.04
Prepaid expenses	221.88	135.20
Total	515.04	489.56

8 Inventories

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Raw materials	503.53	641.71
Work-in-progress	39.36	69.78
Finished goods	2300.13	2567.07
Traded goods	36.81	47.36
Consumables, stores & spares	335.04	349.50
Packing material	35.04	63.97
Total	3249.91	3739.39
Details of materials in transit included in inventories above		
Raw materials	22.84	3.79

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

9 Trade receivables

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Considered good -secured	-	-
Considered good -unsecured	934.66	770.92
Which have significant increase in credit risk	174.95	147.61
Credit impaired	-	-
Allowance for credit losses	(174.95)	(147.61)
Total	934.66	770.92

9.1 There are no outstanding debts due from directors or other officers of the Company.

9.2 Trade receivables ageing schedule as at March 31, 2023

Trade Receivables ageing schedule as at March 31, 2020						₹ In lakhs
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	761.76	17.91	83.34	71.65	-	934.66
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	174.95	174.95
(iii)Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
	761.76	17.91	83.34	71.65	174.95	1109.61
Less: Allowance for Credit losses						(174.95)
Total Trade receivable						934.66

Trade receivables ageing schedule as at March 31, 2022

Trade Receivables ageing schedule as at March 31, 2022						₹ In lakhs
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	573.53	84.69	85.58	27.12	-	770.92
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	147.61	147.61
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
	573.53	84.69	85.58	27.12	147.61	918.53
Less: Allowance for Credit losses						(147.61)
Total Trade receivable						770.92

10 Cash and cash equivalents

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Cash in hand	6.71	7.13
Balances with banks:		
On current accounts	57.00	312.64
Total	63.71	319.77

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

10 Cash and cash equivalents (Contd..)

10.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents	63.71	319.77
Less: Cash credit [refer note. 15(B)]	(1626.63)	(1193.00)
Total	(1562.92)	(873.23)

11 Other bank balances

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Margin money given against a bank guarantee/letter of credit with maturity for more than 3 months but less than 12 months	76.55	73.50
In unpaid dividend account	10.08	11.02
Total	86.63	84.52

12 Current tax assets

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Tax refundable	17.89	5.30
Total	17.89	5.30

13 Share capital

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Authorized:		
10,00,00,000 (previous year 10,00,00,000)		
Equity Shares of ₹2/- each (₹2/-) par value	2000.00	2000.00
Issued, Subscribed and fully paid-up:		
3,10,04,000 (previous year 3,10,04,000)		
Equity Shares of ₹2/- each (₹2/-) fully paid-up	620.08	620.08
Total	620.08	620.08

13.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	₹ In lakhs	
	No. of shares	No. of shares
At the beginning of the period	31004000	31004000
Issued during the period	-	-
Outstanding at the end of the period	31004000	31004000

13.2 Terms / rights attached to equity shares:

The company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

13 Share capital (Contd..)

13.3 Details of shareholders holding more than 5% shares in the company

₹ In lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹2 /- each fully paid				
Gautam Chand Jain	15703885	50.65	15703885	50.65
Kotak Debt Hybrid	1570264	5.06	-	-

13.4 Details of shareholders holding of Promoters in the company

Equity shares

₹ In lakhs

S.No.	Promoter Name	No. of shares as at March 31, 2023	% of total shares	% of change during the year
1	Gautam Chand Jain	15703885	50.65%	0%
2	Vidya Jain	500000	1.61%	0%
3	Rahul Jain	498500	1.61%	0%
4	Neha Jain	500000	1.61%	0%
5	Megha Jain	125000	0.40%	0%
6	Prakash Chand Jain	60000	0.19%	0%
7	Ashok Chand Jain Kantilal	60000	0.19%	0%
8	Raaj Kumar Jain Kantilal	60000	0.19%	0%
9	Anju Jain	60000	0.19%	0%

14 Other equity

₹ In lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Securities Premium	73.96	73.96
General reserve	980.36	980.36
Net surplus in the statement of Profit and Loss		
Opening balance	10994.30	11171.94
Add: Profit for the year	74.45	8.39
	11068.75	11180.33
Less: Dividend paid	186.02	186.03
	10882.73	10994.30
Other comprehensive income		
Opening balance	250.73	170.94
Movement in OCI (net) during the year	38.38	79.79
	289.11	250.73
Total	12226.16	12299.35

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

15 Borrowings

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
A. Non-current		
Secured loans - From banks (refer note. 15.1)		
Term loans in Indian rupees	171.68	38.65
Term loans in Foreign currency	-	552.79
Unsecured loans		
Loans & advances from related parties		
Loans from directors	1486.62	1171.10
Total	1658.30	1762.54
B. Current		
Secured loans - From banks		
Current maturities of long term borrowings:		
Secured - From banks (refer note.15.1)	365.40	427.95
Working capital Loans - repayable on demand (refer note. 15.1)		
Cash Credit Facilities in Indian rupees	1626.63	1193.00
Packing Credit Loans in Foreign currency	438.15	950.52
Bill Discounting facilities in Foreign currency	82.98	152.31
Total	2513.16	2723.78

15.1 Term loan in Indian rupees of ₹ 498.43 lakhs & working capital facilities of ₹ 2147.76 lakhs from Union Bank of India are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future and personal properties of some of the directors and guarantees of the Directors (other than independent directors)..

Cash credit facility in Indian rupees carries interest @ 9.75%, Packing credit loans in foreign currency and Bill discounting facilities in Foreign currency carries interest @ 6.10%.

Term loans in Indian rupees of ₹ 38.65 lakhs are for purchase of assets, secured by hypothecation of respective assets and personal guarantee of the Directors (other than Independent directors).

15.2 Maturity profile of term loans from banks are as set out below:

	₹ In lakhs	
	2023-24	2024-25
Term loans in Indian rupees		
1 yr. MCLR plus 4% - 11.25%	332.28	166.15
6% to 9.02%	33.12	5.53

16 Lease liabilities

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
A. Non-current		
Lease liability (refer note. 39)	236.43	208.60
Total	236.43	208.60
B. Current		
Lease liability (refer note. 39)	71.63	92.71
Total	71.63	92.71

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

17 Other financial liabilities

		₹ In lakhs
Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
Interest accrued but not due on borrowings	0.55	-
Unpaid dividend	10.08	11.02
Total	10.63	11.02

18 Provisions

		₹ In lakhs
Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Non-current		
Gratuity (refer note. 27(1a))	269.88	264.76
Compensated absence (refer note. 27(1b))	31.81	37.81
Others		
Restoration liability	27.94	33.28
Total	329.63	335.85
B. Current		
For employee benefits		
Gratuity (refer note. 27(1a))	27.71	24.72
Compensated absence (refer note. 27(1b))	1.81	1.76
Total	29.52	26.48

19 Deferred tax liabilities (net)

		₹ In lakhs
Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities		
Property, plant & equipment	345.14	413.13
	345.14	413.13
Deferred Tax Asset		
Receivables	44.03	37.15
Provisions	159.22	170.80
	203.25	207.95
Total	141.89	205.18

		₹ In lakhs
Particulars	As at 31st March, 2023	As at 31st March, 2022
At the start of the year	205.18	253.10
Charge/ (Credit) to statement of P&L	(63.29)	(47.92)
At the end of the year	141.89	205.18

Component of Deferred tax liabilities/(asset)

			₹ In lakhs
Deferred tax liabilities/(asset) in relation to:	As at March 31, 2022	Charge/(credit) to profit or loss	As at March 31, 2023
Property, plant and equipment	413.13	(67.99)	345.14
Provisions	(170.80)	11.58	(159.22)
Receivables	(37.15)	(6.88)	(44.03)
Total	205.18	(63.29)	141.89

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

20 Trade payables

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
a) total outstanding dues of micro enterprises and small enterprises	0.78	0.91
b) total outstanding dues of creditors other than micro enterprises and small enterprises	386.82	580.91
Total	387.60	581.82

20.1 Trade payables ageing schedule as at March 31, 2023

Particulars	₹ In lakhs				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.78	-	-	-	0.78
(ii) Others	346.60	2.39	0.81	37.02	386.82
Total	347.38	2.39	0.81	37.02	387.60

Trade payables ageing schedule as at March 31, 2022

Particulars	₹ In lakhs				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.91	-	-	-	0.91
(ii) Others	541.48	-	0.45	38.98	580.91
Total	542.39	0.00	0.45	38.98	581.82

20.2 Disclosure in accordance with Section 22 of micro, small and medium enterprises development Act, 2006

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid at the year end	-	-
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	-	-
c) Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
d) Interest paid, under section 16 of MSMED Act, to suppliers registered under the Act, beyond the appointed day during the year	-	-
e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
f) Interest accrued and remaining unpaid at the end of accounting year	-	-
g) Further interest remaining due and payable for earlier years	-	-

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company, regarding the status of registration of such vendor under the said Act, as per the intimation received from them on the request made by the company.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

21 Other liabilities

Current

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Advance received from customers	638.65	866.89
Creditors for capital expenditure	26.05	50.93
Statutory liabilities	85.73	49.82
Other liabilities	506.50	538.52
Total	1256.93	1506.16

22 Current tax liabilities (net)

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Provision for income tax	-	82.81
Less: Advance tax	-	15.67
Total	-	67.14

23 Revenue from operations

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	6035.96	6862.58
Sale of services	63.93	107.71
Total	6099.89	6970.29

24 Other income

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on		
Bank deposits	5.67	4.20
Others	9.82	6.75
Income tax refund	3.74	-
Dividend Received	250.24	-
Scrap sales	30.05	0.41
Insurance claim	-	10.13
Gain on modification of lease	8.03	8.56
Credit balances written back	-	17.82
Provision for doubtful debts written back	-	6.24
Provision no longer required written back	6.00	-
Duty Drawback Benefit Account	0.23	-
Rent	6.00	6.00
Total	319.78	60.11

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

25 Cost of raw material consumed

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock	641.71	867.57
Add: Purchases	259.58	423.03
	901.29	1290.60
Less: Closing stock	503.53	641.71
Total	397.76	648.89

26 Changes in stock of finished goods, work-in-progress and stock-in-trade

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	2567.07	2016.54
Work-in-progress	69.78	67.82
Stock-in-trade	47.36	23.03
	2684.21	2107.39
Inventories at the end of the year		
Finished goods	2300.13	2567.07
Work-in-progress	39.36	69.78
Stock-in-trade	36.81	47.36
	2376.30	2684.21
Total	307.91	(576.82)

27 Employee benefits expense

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus & allowances	1311.41	1384.79
Contribution to provident fund and other funds	86.24	108.02
Retirement benefits	73.81	80.51
Staff welfare expense	90.69	110.36
Total	1562.15	1683.68

27.1 - Employee benefits:

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Defined contribution plan		
Employer's contribution to provident fund	77.58	98.21

Defined benefit plan

The employees' gratuity fund scheme managed by a trust (Funded with Life Insurance Corporation of India for Granite Division of the company) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absence is recognized in the same manner as gratuity.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

27 Employee benefits expense (Contd..)

a) Retiring gratuity:

- (i) The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Change in defined benefit obligations:		
Obligation at the beginning of the year	428.22	459.57
Current service costs	35.79	41.84
Interest costs	29.95	27.94
Remeasurement (gain)/losses	(33.21)	(68.98)
Benefit paid	(46.90)	(32.15)
Obligation at the end of the year	413.85	428.22

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Change in plan assets:		
Fair value of plan assets at the beginning of the year	138.74	138.28
Interest income	8.78	8.96
Remeasurement (gain)/losses	0.02	11.40
Employers' contributions	15.63	12.25
Benefits paid	(46.91)	(32.15)
Fair value of plan assets at the end of the year	116.26	138.74

Amounts recognised in the balance sheet consists of:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	(116.26)	(138.74)
Present value of obligation	413.85	428.22
	297.59	289.48
Recognised as:		
Retirement benefit liability - Current	27.71	24.72
Retirement benefit liability - Non-current	269.88	264.76

Expenses recognised in the statement of profit and loss consists of:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Employee benefits expenses:		
Current service costs	35.79	41.84
Interest costs	21.17	18.98
Past service cost	-	-
	56.96	60.82
Other comprehensive income:		
(Gain)/loss on plan assets	(0.02)	(11.40)
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	1.30	(36.88)
Actuarial (gain)/loss arising from changes in experience adjustments	(34.51)	(32.09)
	(33.23)	(80.37)
Expenses recognised in the statement of profit and loss	23.73	(19.55)

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

27 Employee benefits expense (Contd..)

(ii) key assumptions used in accounting for retiring gratuity is as below:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.19%	7.21%
Rate of escalation in salary (per annum)	8.00%	8.00%

(iii) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors

(iv) The company expects to contribute ₹ 25.00 lakhs to its gratuity plan for the next year.

(v) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.

As at March 31, 2023

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 449.46 lakhs, increase by ₹ 382.64 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 448.39 lakhs, decrease by ₹ 382.98 lakhs

As at March 31, 2022

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 469.14 lakhs, increase by ₹ 392.66lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 467.61 lakhs, decrease by ₹ 393.04 lakhs

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

b) Compensated absence:

(i) The following table sets out the amounts recognised in the financial statements in respect of compensated absence:

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Change in defined benefit obligations:		
Obligation at the beginning of the year	39.57	48.88
Current service costs	13.73	16.68
Interest costs	3.12	3.01
Remeasurement (gain)/losses	(18.06)	(26.25)
Benefit paid	(4.74)	(2.75)
Obligation at the end of the year	33.62	39.57

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Change in plan assets:		
Fair value of plan assets at the beginning of the year		
Interest income		
Remeasurement gain/(losses)		
Employers' contributions	4.73	2.75
Benefits paid	(4.73)	(2.75)
Fair value of plan assets at the end of the year	-	-

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

27 Employee benefits expense (Contd..)

Amounts recognised in the balance sheet consists of:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	-	-
Short term compensated absence liability	-	-
Present value of obligation	33.62	39.57
	33.62	39.57
Recognised as:		
Retirement benefit liability - Current	1.81	1.76
Retirement benefit liability - Non-current	31.81	37.81

Expenses recognised in the statement of profit and loss consists of:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Employee benefits expenses:		
Current service costs	13.73	16.68
Interest costs	3.12	3.01
Past Service cost	-	-
	16.85	19.69
Other comprehensive income:		
(Gain)/loss on plan assets	-	-
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	2.28	(6.58)
Actuarial (gain)/loss arising from changes in experience adjustments	(20.34)	(19.67)
	(18.06)	(26.25)
Expenses recognised in the statement of profit and loss	(1.21)	(6.56)

(ii) The key assumptions used in accounting for compensated absence is as below:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.19%	7.73%
Rate of escalation in salary (per annum)	8.00%	8.00%

(iii) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors

(iv) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.

As at March 31, 2023

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 36.47 lakhs, increase by ₹ 26.12 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 36.39 lakhs, decrease by ₹ 31.16 lakhs

As at March 31, 2022

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 43.23 lakhs, increase by ₹ 36.37 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 43.15 lakhs, decrease by ₹ 36.39 lakhs

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

28 Depreciation & amortization expense

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, plant & equipment (owned assets)	744.03	798.98
Depreciation on Property, plant & equipment (leased assets) (refer note. 39)	87.53	92.51
Amortization on intangible assets	4.32	4.31
Total	835.88	895.80

29 Finance costs

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowings:		
- Banks	239.39	209.47
- Others	129.26	114.02
Interest expense on lease liability (refer note.39)	39.48	41.56
Interest on taxes / duties	10.67	16.82
Exchange Fluctuation considered as Interest cost	22.41	45.42
Total	441.21	427.29

30 Other expenses

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores & spares	430.60	912.80
Packing material	93.41	100.64
Processing & job work exp.	114.78	132.94
Power and fuel	592.82	963.94
Repairs and maintenance:		
- Plant and machinery	31.25	68.62
- Building	1.08	5.72
- Others	9.58	14.22
Cutter and driller charges	76.48	193.86
Rent (refer note. 39)	15.94	20.94
Deferred lease expense written off	3.21	3.38
Rates and taxes	62.04	30.72
Insurance	34.07	47.14
Communication charges	24.40	29.06
Printing & stationery	4.46	9.60
Travelling & conveyance expenses	17.71	20.70
Electricity charges	17.39	14.94
Vehicle maintenance	52.80	63.85
Auditors remuneration	8.94	8.89
Advertisement	1.41	5.07
Professional & consultancy	69.83	82.89
Directors sitting fees	11.50	14.50
Donations	3.67	2.57
Fees & subscriptions	23.57	23.21
Government royalty and dead rent	611.36	553.60
Debit balances written off	-	16.79
Carriage outwards	303.24	303.29

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

30 Other expenses (Contd..)

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Sales commission	9.64	23.28
Discounts and claims	5.21	34.80
Business promotion expenses	10.16	6.84
Allowances for credit loss	27.34	-
Bad debts	-	16.98
Impairment / loss on sale of PPE	0.88	29.25
Bank charges	8.80	10.86
Exchange Loss (Net)	76.13	(1.02)
Miscellaneous expenses	28.15	47.35
Total	2781.85	3812.22

30.1 - Auditors remuneration

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Statutory audit	7.50	7.50
Certification	1.25	1.25
Out of pocket expenses	0.19	0.14

30.2 - Corporate social responsibility (CSR)

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
(i) Amount required to be spent by the company during the year	-	-
(ii) Amount of expenditure incurred	-	-
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reasons for shortfall	NA	NA
(vi) Nature of CSR activities	NA	NA
(vii) Details of related party transactions	NA	NA
(viii) Where a provision is made with respect to liability incurred by entering into a contractual obligation, the movement in the provision during the year shall be shown separately	NA	NA

CSR provisions are not applicable to the company for FY 2021-22 & 22-23 as the company is not satisfying the criteria specified under Section 135(1) of Companies Act

31 Income taxes

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
A) Income tax expense/(benefit) recognised in the statement of profit and loss		
Current tax	25.01	82.81
Deferred tax	(76.20)	(74.75)
Deferred tax on comprehensive income	12.91	26.83
Tax in respect of earlier years	-	20.52
Total	(38.28)	55.41

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

31 Income taxes (Contd.)

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
B) Reconciliation of income tax expense		
Profit / (loss) before tax	23.26	36.97
Other comprehensive Income	51.29	106.62
Effective tax rate	25.168%	25.168%
Computed effective tax expense	18.76	36.14
Tax effect of:		
Expenses disallowed	277.63	273.75
Allowable items from IT act	(271.38)	(227.08)
Current tax provision (A)	25.01	82.81
Incremental deferred tax liability on account of PPE and intangible assets	(67.99)	(61.88)
Incremental deferred tax asset on account of financial assets and other items	4.70	13.96
Deferred tax provision (B)	(63.29)	(47.92)
Tax expense recognised in the statement of profit and loss (A+B)	(38.28)	34.89
Effective tax rate	-	24.30%

32 Earnings per share (EPS)

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
(i) Face value of equity share (in ₹)	2.00	2.00
(ii) Weighted average number of equity shares outstanding	31004000	31004000
(iii) Profit for the year	74.45	8.39
(iv) Weighted average earnings per share (basic and diluted) (in ₹)	0.24	0.03

33 Related party disclosures :

As per IND AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

a) Enterprises where control exists:

Pokarna Engineered Stone Limited – wholly owned subsidiary, Pokarna Foundation - subsidiary

b) Names of the associates:

Pokarna Fabrics Pvt Limited, Pokarna Fashions Pvt Limited, Pokarna Marketing Pvt Limited, Southend, Southend Extension, Pokarna Textile

c) Names of Key management personnel

Gautam Chand Jain, Rahul Jain, Vishwanath Reddy, Disha Jindal, Piyush Khandelwal* and Babita chandrakar*.

d) Names of relatives

'Raaj Kumar Jain, Ashok Chand Jain, Vidya Jain, Rekha Jain, Anju Jain, Ritu Jain, Pratik Jain, Neha Jain, Megha Jain, Gautam Chand Jain (HUF), Prakash Chand Jain (HUF)

e) Name of executive & non-executive director

Apurva Jain, Prakash Chand Jain, Mahender Chand Chordia, Meka Yugandhar, Vinayak Rao Juvvadi, Jayshree Rajesh Sanghani.

** Babita chandrakar company secretary resigned on 23rd May 2022 and Piyush Khandelwal company secretary resigned on 28th Feb 2023.

A. Compensation of key management personnel of the company

'The amount mentioned below represents remuneration paid and debited to the company. The compensation includes salary, employer's contribution to PF, LTA, bonus, medical and termination benefits. All amounts mentioned below are inclusive of GST. The CMD, MD, CFO and Company Secretary are regarded as Key management personnel in terms of Companies act, 2013..

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

33 Related party disclosures : (Contd)

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	195.92	197.49
Post-employment pension, provident fund and medical benefits	0.65	0.68
Termination benefits*	-	-
Total compensation paid to key management personnel	196.57	198.17

* Expenses towards gratuity and leave encashment provisions are determined actuarial on an overall Company basis and, accordingly, have not been considered in the above information.

B. Transactions with KMP and other related parties 2022-23 (2021-22)

Nature of the transaction	Subsidiary	Key management personnel	Executive/ Non-executive directors	Associates/ other related parties	Relatives	₹ In lakhs
						Total
Purchases						
Goods and services, net	-	-	-	4.44	-	4.44
	-	-	-	(2.22)	-	(2.22)
Sales						
Goods and services, net	75.72	-	-	-	-	75.72
	(57.82)	-	-	(0.13)	(0.08)	(58.03)
Job work	-	-	-	-	-	-
	(1.92)	-	-	(0.04)	-	(1.96)
Sale of Assets	17.22	-	-	-	-	17.22
	(39.91)	-	-	-	-	(39.91)
Expenses						
Remuneration	-	195.92	24.00	-	-	219.92
	-	(197.49)	(24.00)	-	-	(221.49)
Sitting fee & commission	-	-	11.50	-	-	11.50
	-	-	(14.50)	-	-	(14.50)
Rent & taxes	-	5.92	8.76	34.24	31.77	80.69
	-	(5.88)	(8.75)	(34.33)	(31.77)	(80.73)
Interest	-	128.36	-	-	-	128.36
	-	(110.28)	-	-	-	(110.28)
Income						
Rent / Hire Charges	7.08	-	-	-	-	7.08
	(7.08)	-	-	-	-	(7.08)
Dividend Received						
Dividend	250.24	-	-	-	-	250.24
	-	-	-	-	-	-
Dividend Paid						
Dividend	-	97.21	0.36	-	7.83	105.40
	-	(88.11)	(2.64)	-	(14.67)	(105.42)
Loans & advances						
Loans received	-	200.00	-	-	-	200.00
	-	-	-	-	-	-
Carrying amount						
Payables	-	1497.89	9.31	-	15.52	1522.72
	-	(1183.04)	(1.56)	-	-	(1184.60)
Rent deposit - receivable	-	-	8.33	27.55	16.66	52.54
	-	-	(8.33)	(23.20)	(16.66)	(48.19)
Investments	6116.38	-	-	-	-	6116.38
	(6116.38)	-	-	-	-	(6116.38)

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

33 Related party disclosures : (Contd)

Disclosure in respect of material transactions with KMP and other related parties during the year:

₹ In lakhs

S.No	Particulars	Relationship	Year ended March 31, 2023	Year ended March 31, 2022
1	Purchases			
	Goods and services, net			
	Pokarna Fabrics Pvt Limited	Associate	4.35	2.22
	Pokarna Marketing Pvt Ltd	Associate	0.09	-
2	Sales			
	Goods and services, net			
	Pokarna Engineered Stone Limited	Subsidiary	75.72	57.82
	Southend Extension	Associate	-	0.13
	Pratik Jain	Relative	-	0.08
	Jobwork			
	Pokarna Engineered Stone Limited	Subsidiary	-	1.92
	Southend Extension	Associate	-	0.04
	Sale of Assets			
	Pokarna Engineered Stone Limited	Subsidiary	17.22	39.91
3	Expenses			
	Remuneration			
	Rahul Jain	Key management personnel	120.00	120.00
	Apurva Jain	Executive Director	24.00	24.00
	Viswanatha Reddy	Key management personnel	69.15	69.15
	Babita Chandrakar	Key management personnel	0.78	8.34
	Piyush Khandelwal	Key management personnel	5.99	-
	Sitting fee & commission			
	Prakash Chand Jain	Non-Executive Director	2.50	2.50
	Mahender Chand Chordia	Non-Executive Director	2.00	2.00
	Meka Yugandhar	Non-Executive Director	2.00	2.50
	T.V.Chowdary	Non-Executive Director	-	2.50
	Vinayak Rao Juvvadi	Non-Executive Director	2.50	2.50
	Jayshree Rajesh Sanghani	Non-Executive Director	2.50	2.50
	Rent & taxes			
	Pokarna Fabrics Pvt Limited	Associate	34.24	34.33
	Gautam Chand Jain	Key management personnel	5.92	5.88
	Prakash Chand Jain	Non-Executive Director	8.76	8.75
	Vidya Jain	Relative	8.76	8.75
	Ritu Jain	Relative	14.25	14.27
	Pratik Jain	Relative	8.76	8.75
	Interest			
	Gautam Chand Jain	Key management personnel	128.36	110.28
	Dividend			
	Gautam Chand Jain	Key management personnel	94.22	85.12
	Vidya Jain	Relative	3.00	3.00
	Neha Jain	Relative	3.00	3.00
	Rahul Jain	Key management personnel	2.99	2.99
	Prakash Chand Jain	Non-Executive Director	0.36	2.64
	Anju Jain	Relative	0.36	2.64
	Raaj Kumar Jain	Relative	0.36	2.64

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

33 Related party disclosures : (Contd)

			₹ In lakhs	
S.No	Particulars	Relationship	Year ended March 31, 2023	Year ended March 31, 2022
4	Ashok Chand Jain	Relative	0.36	2.64
	Megha Jain	Relative	0.75	0.75
	Income			
	Rent Received			
	Pokarna Engineered Stone Limited	Subsidiary	7.08	7.08
5	Dividend Received			
	Pokarna Engineered Stone Limited	Subsidiary	250.24	-
	Loans & advances			
	Loans received			
	Gautam Chand Jain	Key management personnel	200.00	-
6	Carrying amount			
	Payables			
	Gautam Chand Jain	Key management personnel	1486.62	1171.10
	Rahul Jain	Key management personnel	7.03	6.53
	Apurva Jain	Executive director	1.55	1.56
	Viswanatha Reddy	Key management personnel	4.24	4.25
	Babita Chandrakar	Key management personnel	-	1.16
	Prakash Chand Jain	Non-Executive Director	7.76	
	Pratik Jain	Relative	7.76	-
	Vidya Jain	Relative	7.76	-
	Rent deposit receivable			
	Pokarna Fabrics Pvt Limited	Associate	27.55	23.20
	Prakash Chand Jain	Non-executive director	8.33	8.33
	Vidya Jain	Relative	8.33	8.33
	Pratik Jain	Relative	8.33	8.33
7	Investments			
	Pokarna Engineered Stone Limited	Subsidiary	6115.88	6115.88
	Pokarna Foundation	Subsidiary	0.50	0.50

34 Contingent liabilities and commitments

34.1 Contingent liabilities:

		₹ In lakhs
Particulars	As at March 31, 2023	As at March 31, 2022
a) Letter of credits outstanding	-	48.53
b) Bank guarantees	0.30	0.60
c) Claims against the company / disputed liabilities not acknowledged as debts:		
i) Income tax matters, pending decisions on various appeals made by the company and by the department. Amount deposited ₹ Nil (previous year ₹ Nil)	144.45	149.27
ii) Excise matters (including service tax), amount deposited ₹ 23.06 lakhs (previous year ₹ 23.06 lakhs)	396.34	396.34
iii) Customs matters, amount deposited ₹ Nil (previous year ₹ Nil)	75.91	75.91
iv) Sales tax matters, amount deposited ₹ 34.97 lakhs (previous year ₹ 34.97 lakhs)	266.05	266.05
v) Goods and Service Tax (GST) matters, amount deposited ₹ Nil .	71.65	37.74

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

34 Contingent liabilities and commitments (Contd..)

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
vi) Mines & geology matters, amount deposited ₹ Nil (previous year ₹ Nil)	1016.94	1141.74
vii) Cross subsidy charges payable to state power distribution company	10.91	10.91
viii) Wheeling charges ,transmission charges and FSA charges payable to TSSPDC	335.09	306.13
ix) As per the amendment in The Payment of Bonus Act, 1965 notified on 1 January 2016, which was effective retrospectively from 1st April, 2014, the company on the legal advice decided not to implement it in view of the interim order dated 26th April, 2016 of Hon'ble Andhra Pradesh High Court allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.	39.20	39.20
x) Other matters disputed	149.61	136.82

34.2 Capital commitments

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	22.85	-

34.3 Other commitments:

- Granite processing units of the company situated at Aliabad and Toopronpet village are registered as a 100% export oriented units ("EOU"), and are exempted from customs and central excise duties, GST and levies on imported & indigenous capital goods and stores & spares. The company has executed a bond cum legal undertaking to pay customs duty, central excise duty, GST, levies and liquidated damages payable, if any, in respect of imported and indigenous capital goods and stores & spares, consumed duty free, in the event that certain terms and conditions are not fulfilled. As on 31st March, 2023, the company has a positive net foreign exchange earning, as defined in the foreign trade policy 2009-2014 and 2015-2021 wherever applicable.
- Obligations towards environmental protection measures in respect of quarry leases ₹ 308.63 lakhs (previous year ₹ 212.63 lakhs)
- The company is also involved in other lawsuits, claims, investigations and proceedings, including trade mark and commercial matters, which arise in the ordinary course of business. However, there are no material claims on such cases.
- The date of implementation of the Code of Wages 2019 and Code on Social Security, 2020 is yet to be notified by the Government. The Company is in the process of assessing the impact of these Codes and will give effect in the financial results when the Rules/Schemes thereunder are notified.

35 In accordance with IND AS-108 "Operating segment", segment information has been given in the consolidated financial statements of Pokarna Limited and therefore no separate disclosure on segment information is given in these financial statements.

36 Capital management

- The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity.
- The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.
- The company's adjusted net debt to equity ratio is as follows:

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

36 Capital management (Contd..)

₹ In lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gross debt	4171.46	4486.32
Less: Cash and bank balances	204.72	409.37
Adjusted net debt	3966.74	4076.95
Total equity	12846.24	12919.43
Adjusted net debt to equity ratio	0.31	0.32

37 Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31st March 2023

₹ In lakhs

Particulars	Carrying Amount			Fair Value		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Security deposit	630.29	-	630.29	-	630.29	-
Financial assets not measured at fair value						
Investments	6116.38	-	6116.38			
Other loans	420.63	-	420.63	-	-	-
Accrued interest	4.34	-	4.34	-	-	-
Trade receivables	934.66	-	934.66	-	-	-
Cash and bank balances	204.72	-	204.72	-	-	-
Total	8311.02	-	8311.02	-	630.29	-
Financial liabilities measured at fair value						
Lease liability	308.06	-	308.06	-	308.06	-
Financial liabilities not measured at fair value						
Secured bank loans	2684.84	-	2684.84	-	-	-
Accrued interest	0.55	-	0.55	-	-	-
Loans from related parties	1486.62	-	1486.62	-	-	-
Trade payables	387.60	-	387.60	-	-	-
Unpaid dividend	10.08	-	10.08	-	-	-
Total	4877.75	-	4877.75	-	308.06	-

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

37 Financial instruments (Contd..)

31st March 2022

₹ In lakhs

Particulars	Carrying amount			Fair value		
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Security deposit	324.48	-	324.48	-	324.48	-
Financial assets not measured at fair value						
Investments	6116.38	-	6116.38			
Other loans	464.08	-	464.08	-	-	-
Accrued interest	3.03	-	3.03	-	-	-
Trade receivables	770.92	-	770.92	-	-	-
Cash and bank balances	409.37	-	409.37	-	-	-
Total	8088.26	-	8088.26	-	324.48	-
Financial liabilities measured at fair value						
Lease liability	301.31	-	301.31	-	301.31	-
Financial liabilities not measured at fair value						
Secured bank loans	3315.22	-	3315.22	-	-	-
Secured other loans	-	-	-	-	-	-
Loans from related parties	1171.10	-	1171.10	-	-	-
Trade payables	581.82	-	581.82	-	-	-
Unpaid dividend	11.02	-	11.02	-	-	-
Total	5380.47	-	5380.47	-	301.31	-

The fair value of financial instruments is determined using discounted cash flow analysis. The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature. The fair value of the long-term borrowings with floating-rate of interest is not impacted due to interest rate changes, and will be evaluated for their carrying amounts based on any change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans). For financial assets and liabilities that are measured at fair value, the carrying amount is equal to the fair values.

38 Financial risk management objectives and policies

I. Overview

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

II. Risk management framework:

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board is responsible for developing and monitoring the company's risk management policies.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

38 Financial risk management objectives and policies (Contd..)

• Credit risk

- i) Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customer.
- ii) Trade and other receivables: The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Not due	94.70	74.30
Upto 1 year	684.97	583.92
1 to 2 years	83.34	85.58
2 to 3 years	71.65	26.52
More than 3 years	174.95	339.02
Total	1109.61	1109.34

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

Movements in allowance for credit losses of receivables is as below:	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	147.61	153.85
Charge in statement of profit and loss	27.34	-
Release to statement of profit and loss	-	(6.24)
Utilised during the year	-	-
Balance at the end of the year	174.95	147.61

- iii) **Cash and cash equivalents**• The company held cash and cash equivalents of ₹63.71 lakhs (previous year ₹319.77 lakhs). The cash and cash equivalents are held with public sector banks. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.
- iv) In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

• Liquidity risk

- i) Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.
- ii) The company aims to maintain the level of its cash and cash equivalents and investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. This excludes potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disaster.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

38 Financial risk management objectives and policies (Contd..)

iii) Exposure to Liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

31st March 2023

Particulars	₹ In lakhs			
	Carrying amount	1 year or less	1-3 years	More than 3 years
Borrowings- secured	2684.84	2513.16	171.68	-
Borrowings- un-secured	1486.62	-	-	1486.62
Trade payables	387.60	347.38	3.20	37.02
Lease liabilities	308.06	71.63	123.13	113.30
Other financial liabilities	10.08	10.08	-	-

31st March 2022

Particulars	₹ In lakhs			
	Carrying amount	1 year or less	1-3 years	More than 3 years
Borrowings- secured	3315.22	2723.78	591.44	-
Borrowings- un-secured	1171.10	-	-	1171.10
Trade payables	581.82	581.82	-	-
Lease liabilities	301.31	93.65	132.61	75.05
Other financial liabilities	11.02	11.02	-	-

• Market risk

- i) **Market risk** is the risk that changes in market prices such as foreign exchange rates and interest rates prices, will affect the company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk..

Particulars	₹ In lakhs			
	As at March 31, 2023		As at March 31, 2022	
	USD	EURO	USD	EURO
Borrowings	468.05	-	1883.04	-
Trade receivables	177.37	-	225.41	0.78
Trade and other payables (including payable for capital goods)	58.73	32.71	102.71	124.70
Bank balances (Including deposits)	19.87	19.73	227.17	17.21
Total	724.02	52.44	2438.33	142.69

- ii) **Currency risk** The company is exposed to foreign exchange risk arising from foreign currency transaction. The company also imports and the risk is managed by regular follow up . The company has a policy which is implemented when the foreign currency risk become significant.

A 10% appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit before tax by approximately ₹ 34.25 lakhs (previous year ₹ 163.99 lakhs).

- iii) **Interest rate risk** • I Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss by ₹ 28.84 lakhs (previous year ₹ 35.60 lakhs). This analysis assumes that all other variables remain constant.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

38 Financial risk management objectives and policies (Contd..)

• Operational risk

- i) Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.
- ii) The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.
- iii) The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:
 - Requirements for appropriate segregation of duties, including the independent authorization of transactions
 - Requirements for the reconciliation and monitoring of transactions
 - Compliance with regulatory and other legal requirements
 - Documentation of controls and procedures
 - Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
 - Requirements for the reporting of operational losses and proposed remedial action
 - Development of contingency plans
 - Training and professional development
 - Ethical and business standards
 - Risk mitigation, including insurance when this is effective.
- iv) Compliance with company's standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the audit committee and board of the company.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

39 Leases disclosures :

As a Lessee

Movement in lease liability during the year:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Opening balance as on 01st April 2022	301.31	352.37
Additions on account of adoption of Ind As 116	-	-
Adjustments on modification of leases	93.23	33.18
Interest expenses on lease liability	39.48	41.56
Principal payments of lease liability	(125.96)	(125.80)
As at 31st March 2023	308.06	301.31
Current	71.63	92.71
Non Current	236.43	208.60
Amounts recognised in the statement of cash flows		
Payments for leases In financing activity	125.96	125.80

Amounts recognised in statement of profit or loss	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense on leased assets	87.53	92.51
Interest expense on lease liability	39.48	41.56
Rent expense (Short term leases and leases of low value assets)	15.94	20.94
Total amount recognised in Profit or loss	142.95	155.01

40 Ratios

Following are analytical ratios for the year ended

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
Current Ratio (in times)	Current assets	Current liabilities	1.22	1.15	6%
Debt - Equity Ratio (in times)	Total Debts	Shareholder's Equity	0.16	0.17	-6%
Debt - Service coverage Ratio (in times)	Earnings available for debt service	Debt service	1.26	1.51	-17%
Return on Equity(ROE) (in %)	Net profits after taxes	Average Shareholder's Equity	0.58%	0.00	-
Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	0.94	1.08	-13%
Trade receivables turnover ratio	Net credit sales	Average Trade Receivables	7.15	7.41	-4%
Trade payables turnover ratio	Net credit purchases	Average Trade Payables	1.54	2.26	-32%*
Net capital turnover ratio	Revenue	Working capital	6.63	9.19	-28%**
Net profit ratio (in %)	Net Profit	Revenue	1.22%	0.12%	917%***
Return on capital employed (ROCE) (in %)	Earnings before interest and taxes	Capital Employed	7.40%	8.83%	-16%
Return on Investment (ROI) (in %)	Income generated from Investments	Time weighted average investments	-	-	

* Due to better working capital management, ** Due to decline in revenue, *** Due to increase in profit

Notes to Standalone Financial Statements

for the Year ended 31 March, 2023

41 Additional Regulatory Information

- The Company has used the borrowings from banks and financial institutions for the specific purpose for which it has taken at the balance sheet date and quarterly returns or statements of current assets filed with banks are in agreement with the books of accounts.
- The Company has not revalued its Property, Plant and Equipment and its intangible assets.
- The Company is not holding any Benami Property and there are no proceedings initiated or pending against the Company.
- The Company has not been declared wilful defaulter by any bank or financial institutions.
- The Company does not have any relationship with Struck off Companies.
- There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax act.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 25 th May 2023, there are no subsequent events to be recognised or reported that are not already disclosed.

43 Dividend:

Particulars	₹ In lakhs	
	March 31, 2023	March 31, 2022
Dividend on Equity shares paid during the year		
Final dividend for the FY 2021-22 [₹ 0.60 (Previous year ₹ 0.60) per equity share of ₹ 2 each]	186.02	186.03

Proposed Dividend:

The Board of Directors at its meeting held on 25 th May 2023 have recommended payment of final dividend of ₹ 0.60 (rupees sixty paise only) per equity share of face value of ₹ 2 each for the financial year ended 31st March 2023. The same amounts to ₹ 186.02 lakhs.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

- Previous year figures are regrouped, rearranged and reclassified wherever considered necessary in order to conform to the current year's presentation.

- The financial statements for the year ended 31st March 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 25th May 2023..

In terms of our report attached

For and on behalf of Board of Directors

For **S.Daga & Co.**
Chartered Accountants
(F.No.000669S)

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Meka Yugandhar
Director
(D.No: 00012265)

Shantilal Daga
Partner
Membership No. 11617

Rahul Jain
Managing Director
(D.No: 00576447)

Apurva Jain
Executive Director
(D.No: 06933924)

Place : Hyderabad
Date : 25th May, 2023
UDIN NO. 23011617BGYYBR7158

M Viswanatha Reddy
Chief Financial Officer

Disha Jindal
Company Secretary

FORM AOC-1

Statement containing salient features of the Financial statement of Subsidiaries

1	Sl. No.	1
2	Name of Subsidiary Company	Pokarna Engineered Stone Limited
3	'The date since when subsidiary was acquired	15.09.2008
4	Reporting Period of the subsidiary concerned, if different from the holding company's reporting period	No
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries	Indian Subsidiary - Not Applicable

		(in Lacs)
	March 31, 2023	March 31, 2022
6	Share capital	417.06
7	Other Equities	43694.27
8	Total Assets	97178.94
9	Total Liabilities	97178.94
10	Investments	0.50
11	Revenue from Operations	66766.55
12	Profit Before Taxation	9350.98
13	Provision for Taxation	2562.38
14	Profit after Taxation	6788.60
15	Other Comprehensive Income	(8.29)
16	Total Comprehensive Income	6780.31
17	Dividend	Nil
18	% of Share holding	100%

1	Sl. No.	2
2	Name of Subsidiary Company	Pokarna Foundation
3	'The date since when subsidiary was acquired	17.09.2021
4	Reporting Period of the subsidiary concerned, if different from the holding company's reporting period	No
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries	Indian Subsidiary - Not Applicable

		(in Lacs)
	March 31, 2023	March 31, 2022
5	Share capital	1.00
7	Other Equities	(0.46)
8	Total Assets	0.54
9	Total Liabilities	0.54
10	Investments	Nil
11	Revenue from Operations	-
12	Profit Before Taxation	-0.12
13	Provision for Taxation	-
14	Profit after Taxation	-0.12
15	Other Comprehensive Income	-
16	Total Comprehensive Income	-
17	Dividend	Nil
18	% of Share holding	50%

Independent Auditor's Report

TO
THE MEMBERS OF
POKARNA LIMITED

Report on the Audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Pokarna Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S No.	Key Audit Matter	Auditors Response
1	<p>IT systems and controls over financial reporting</p> <p>We identified IT systems and controls over financial reporting as a key audit matter for the Group because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. Also, due to such large transaction volumes and the increasing challenge to protect the integrity of the Group's systems and data, cyber security has become more significant.</p> <p>Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.</p>	<p>Our procedures included and were not limited to the following:</p> <p>Assessed the complexity of the IT environment by engaging IT specialists and through discussion with the head of IT and internal audit and identified IT applications that are relevant to our audit.</p> <p>Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations by engaging IT specialists.</p> <p>Performed inquiry procedures in respect of the overall security architecture and any key threats addressed by the Company in the current year.</p> <p>Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company by engaging IT specialists.</p>

S No.	Key Audit Matter	Auditors Response
2	<p>Contingent Liabilities and Commitments:</p> <p>The Group is exposed to a variety of different laws, regulations and interpretations thereof which encompasses taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis of the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter</p>	<p>Our audit procedures included the following:</p> <p>We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities.</p> <p>We held discussions with the person responsible for legal and compliance to obtain an understanding of the factors considered in classification of the matter as 'probable' and 'possible'.</p> <p>We read the correspondence from competent authorities and considered legal opinion obtained by the Group from external law firms to challenge the basis used for provisions recognised or the disclosures made in the consolidated financial statements.</p> <p>For those matters where Group concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities.</p>
3	<p>Inventory of raw material, Work in Progress and Finished Goods (Valuation) –</p> <p>Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). Considering the nature of finished goods consisting of raw blocks, granite slabs, Garments, Quartz surfaces etc., which is dependent upon various market conditions and evaluating possible impact of quality, class, size and ageing, determination of the net realizable value for goods involves significant management judgement and therefore has been considered as a key audit matter.</p>	<p>With respect to the net realisable value:</p> <ul style="list-style-type: none"> • Obtained an understanding of the determination of the net realizable values of raw blocks, granites, cut slabs, Garments, Quartz surfaces and assessed and tested the reasonableness of the significant judgements applied by the management. • Evaluated the design of internal controls relating to the valuation of finished goods/work in progress and finished goods and also tested the operating effectiveness of the aforesaid controls. • To assess the reasonableness of the net realisable value considering the market condition and evaluating possible impact of quality, class, size and ageing that was estimated and considered by the management. • Compared the actual costs incurred to sell based on the latest sale transactions to assess the reasonableness of the cost to sell that was estimated and considered by the management. • Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value. • Tested the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework

Information Other than the Consolidated financial statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Group, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements

may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless a regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

We did not audit the financial statements of one subsidiary Pokarna Engineered Stone Limited, whose financial statements reflect total assets of ₹ 97178.94 lakhs as at 31 March 2023, total revenues of ₹ 67836.78 lakhs and net cash inflows amounting to ₹ -300.75 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding and its subsidiary Company as on March 31, 2023 taken on record by the Board of Directors of the respective Company, none of the directors of the Group companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiary company, refer to our separate Report in "Annexure A" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the matters specified in paragraph 3(xxi) and 4 of the companies (Auditors report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the act to be Included in Auditors report, according to the information & explanation given to us, and based on the CARO report issued by us for the company and by auditors' of subsidiary included in the Consolidated financial statement of the company to which reporting under CARO is applicable, we report that there are no qualification or adverse remarks in there CARO reports.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note. 33 to the consolidated Ind AS financial statements.
 - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or

accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Group and its subsidiary companies during the year ended March 31, 2023.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

(v) The final dividend paid by the Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. As stated in note 44 to the consolidated financial statements, the Board of Directors of the parent Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(vi) Proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (Edit Log) facility is applicable to the co. with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of companies (Audit & Auditors) Rules, 2014 is not applicable for the financial ended March 31, 2023.

For **S. Daga & CO.**,
Chartered Accountants
(ICAI FRN: 0000669S)

(Shantilal Daga)

Partner

Place: Hyderabad

Date: 25th May, 2023

Membership No. 011617

UDIN No- 23011617BGYYBS8992

Annexure - A to the Independent Auditors' Report

Referred to in paragraph 1 (f) of the Independent Auditors' Report of even date to the members of Pokarna Limited on the consolidated financial statements for the year ended March 31, 2023.

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to the financial statements of Pokarna Limited (hereinafter referred to as "the Holding Group") and its subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Group and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to the financial statements over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over financial reporting:

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls which refers to Consolidated financial statement

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Group and its subsidiary have in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial control with reference to financial statement criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. Daga & CO.**,
Chartered Accountants
(ICAI FRN: 0000669S)

(**Shantilal Daga**)
Partner

Place: Hyderabad
Date: 25th May, 2023

Membership No. 011617
UDIN No- 23011617BGYYBS8992

Consolidated Balance Sheet

as at March 31, 2023

		₹ In lakhs	
Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	73199.87	75772.74
(b) Capital work-in-progress		59.64	100.74
(c) Intangible assets	3	106.21	44.39
(d) Financial assets			
(i) Loans	4(A)	148.01	179.21
(ii) Other financial assets	5(A)	1086.09	654.44
(e) Other non-current assets	6(A)	179.30	618.64
Total non-current assets		74779.12	77370.16
II Current assets			
(a) Inventories	7	18204.60	18340.57
(b) Financial assets			
(i) Trade receivables	8	10932.87	14315.19
(ii) Cash and cash equivalents	9	1949.95	2316.47
(iii) Bank balances other than (ii) above	10	1089.26	824.99
(iv) Loans	4(B)	333.25	352.24
(v) Other financial assets	5(B)	33.75	77.30
(c) Current tax assets	11	17.88	5.30
(d) Other current assets	6(B)	3077.65	3555.90
Total current assets		35639.21	39787.96
TOTAL ASSETS		110418.33	117158.12
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	12	620.08	620.08
(b) Other equity	13	50094.93	43669.76
Total equity		50715.01	44289.84
Liabilities			
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14(A)	34513.13	38445.32
(ia) Lease liabilities	15(A)	351.75	326.89
(b) Provisions	18(A)	787.50	685.67
(c) Deferred tax liabilities (net)	16	2103.18	1237.64
(d) Other non-current liabilities	20(A)	179.92	860.41
Total non-current liabilities		37935.48	41555.93
III Current liabilities			
(a) Financial liabilities	14(B)	10875.62	12572.69
(i) Borrowings	15(B)	118.41	117.77
(ia) Lease liabilities	21		
(ii) Trade payables		219.82	333.30
a) total outstanding dues of micro enterprises and small enterprises		5704.19	10446.02
b) total outstanding dues of creditors other than micro enterprises and small enterprises		14.36	12.95
(iii) Other financial liabilities	17	3555.86	5414.70
(b) Other current liabilities	20(B)	1161.91	1172.14
(c) Provisions	18(B)	117.67	1242.78
(d) Current tax liabilities (net)	19	21767.84	31312.35
Total current liabilities		110418.33	117158.12
TOTAL EQUITY AND LIABILITIES		110418.33	117158.12
Notes forming part of the financial statements	1 - 46		

In terms of our report attached

For **S.Daga & Co.**
Chartered Accountants
(F.No.000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25th May, 2023
UDIN NO. 23011617BGYYBS992

For and on behalf of Board of Directors

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Rahul Jain
Managing Director
(D.No: 00576447)

M Viswanatha Reddy
Chief Financial Officer

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Disha Jindal
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ In lakhs

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
I Revenue from operations	22	72798.97	65019.08
II Other income	23	1133.06	661.28
III Total income		73932.03	65680.36
IV Expenses			
a) Cost of raw material consumed	24	29053.19	27865.36
b) Purchase of stock-in-trade		69.65	102.37
c) Changes in stock of finished goods, work-in-progress and stock-in-trade	25	1400.34	(4461.05)
d) Employee benefits expense	26	5861.36	5286.40
e) Depreciation and amortization expense	27	4180.04	3857.33
f) Finance costs	28	4826.88	4114.98
g) Other expenses	29	19448.29	18725.73
Total expenses		64839.75	55491.12
V Profit before tax (III-IV)		9092.28	10189.24
VI Tax expense:			
a) Current tax	30	2249.49	1920.29
Less: MAT credit entitlement		-	(802.03)
b) Deferred tax		261.70	1240.98
Total tax expense		2511.19	2359.24
VII Profit after tax (V-VI)		6581.09	7830.00
VIII Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss		40.22	118.96
(ii) Income tax relating to items that will not be reclassified to profit or loss		(10.12)	(29.94)
Total other comprehensive income/(loss)		30.10	89.02
IX Total comprehensive income for the year: (VII + VIII)		6611.19	7919.02
Profit for the year attributable to:			
(i) Equity owners of the Company		6581.09	7830.00
(ii) Non-controlling interests		-	-
		6581.09	7830.00
OCI for the year attributable to:			
(i) Equity owners of the Company		30.10	89.02
(ii) Non-controlling interests		-	-
		30.10	89.02
Total comprehensive income for the year attributable to:			
(i) Equity owners of the Company		6611.19	7919.02
(ii) Non-controlling interests		-	-
		6611.19	7919.02
X Earnings per share - Basic and Diluted (in ₹)	31	21.23	25.25
XI Nominal Value of share (in ₹)		2	2
Notes forming part of the financial statements	1 - 46		

In terms of our report attached

For **S.Daga & Co.**
Chartered Accountants
(F.No.000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25th May, 2023
UDIN NO. 23011617BGYYBS8992

For and on behalf of Board of Directors

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Rahul Jain
Managing Director
(D.No: 00576447)

M Viswanatha Reddy
Chief Financial Officer

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Disha Jindal
Company Secretary

Statement of Changes in Equity

for the year ended 31st March, 2023

A) EQUITY SHARES

₹ In lakhs

Particulars	Balance as at 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2022	Changes in equity share capital during the year	Balance as at 31st March 2023
Equity shares of ₹ 2/- each issued,Subscribed and fully paidup	620.08	-	620.08	-	620.08

₹ In lakhs

Particulars	Balance as at 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2021	Changes in equity share capital during the year	Balance as at 31st March 2022
Equity shares of ₹ 2/- each issued,Subscribed and fully paidup	620.08	-	620.08	-	620.08

B) OTHER EQUITY

₹ In lakhs

Particulars	Attributable to the equity owners of the Company				
	Other Comprehensive Income	General Reserve	Retained earnings	Securities Premium	Total Other Equity
Balance as at 01.04.2022	252.81	980.36	42362.63	73.96	43669.76
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	252.81	980.36	42362.63	73.96	43669.76
Total Comprehensive Income for the year	30.10	-	-	-	30.10
Dividends	-	-	(186.02)	-	(186.02)
Transfer to Retained earnings	-	-	6581.09	-	6581.09
Balance as at 31.03.2023	282.91	980.36	48757.70	73.96	50094.93

₹ In lakhs

Particulars	Attributable to the equity owners of the Company				
	Other Comprehensive Income	General Reserve	Retained earnings	Securities Premium	Total Other Equity
Balance as at 01.04.2021	163.79	980.36	34718.66	73.96	35936.77
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	163.79	980.36	34718.66	73.96	35936.77
Total Comprehensive Income for the year	89.02	-	-	-	89.02
Dividends	-	-	(186.03)	-	(186.03)
Transfer to Retained earnings	-	-	7830.00	-	7830.00
Balance as at 31.03.2022	252.81	980.36	42362.63	73.96	43669.76

In terms of our report attached

For **S.Daga & Co.**
Chartered Accountants
(F.No.000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25th May, 2023
UDIN NO: 23011617BGYYBS8992

For and on behalf of Board of Directors

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Rahul Jain
Managing Director
(D.No: 00576447)

M Viswanatha Reddy
Chief Financial Officer

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Disha Jindal
Company Secretary

Consolidated Statement of Cash Flow

for the year ended March 31, 2023

₹ In lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) Cash flows from operating activities		
Profit before taxes	9092.28	10189.24
Adjustments		
Depreciation and amortization expense	4180.04	3857.33
Loss/ (Profit) on Sale of property, plant and equipment (Net)	11.11	28.44
Gain on modification of lease	(9.24)	(8.47)
Unrealized foreign exchange (gain) / loss (Net)	104.95	(846.15)
Credit Balances written back	-	(19.85)
Allowance for credit losses	3.08	(9.38)
Bad debts written off	-	16.98
Debit Balances written off	11.56	16.79
Provision for warranties	-	69.78
Provision no longer required written back	(6.00)	-
Finance costs	4797.15	3975.40
Interest income	(74.36)	(164.45)
Operating profit before working capital changes	18110.57	17105.66
Changes in working capital and other provisions:		
(Increase)\Decrease in Trade Receivables	3435.31	(9804.18)
(Increase)\Decrease in Inventories	135.97	(7247.64)
(Increase)\Decrease in Financial Assets	(609.21)	1952.28
(Increase)\Decrease in Non - Financial Assets	925.64	(1112.60)
Increase\ (Decrease) in Provisions	97.60	23.91
Increase\ (Decrease) in Non - Financial Liabilities	-	-
Increase\ (Decrease) in Trade and Other Payables	(5652.57)	6367.92
Cash generated from operations	16443.31	7485.35
Income taxes paid, net	(2793.46)	(1543.50)
Net cash from/(used in) operating activities	13649.85	5941.85
(B) Cash flows from investing activities		
Purchase of property, plant and equipment	(3360.57)	(21742.46)
Proceeds from sale of property, plant and equipment	114.83	197.12
Interest income	81.40	85.17
Net cash from /(used in) investing activities	(3164.34)	(21460.17)
(C) Cash flows from financing activities		
Proceeds from Non-current borrowings (including current maturities)	2353.15	17059.00
Repayment of Non-current borrowings (including current maturities)	(6383.39)	(1393.92)
(Repayment) / Proceeds from Current borrowings (Net)	(3300.48)	4192.53
Principal payments of Lease Liabilities	(129.24)	(133.57)
Interest expense (including lease liabilities)	(3846.24)	(3466.28)
Dividend paid	(186.02)	(186.03)
Net cash generated in financing activities	(11492.22)	16071.73
Net increase/ (decrease) in cash and cash equivalents	(1006.71)	553.41
Add: cash and cash equivalents at the beginning of the year	640.89	(327.77)
Effect of exchange gain on cash and cash equivalents	689.14	415.25
Cash and cash equivalents at the end of the year (refer note. 9.1)	323.32	640.89

Consolidated Statement of Cash Flow

for the year ended March 31, 2023

₹ In lakhs

Change in Liability arising from Financing Activities	1st April 2022	Cashflow	Foreign Exchange movement/ others	As at 31st March, 2023
Borrowing- Non-current (including current maturities)	40588.81	(4030.24)	1644.95	38203.52
Borrowing - Current	8753.62	(3300.48)	105.46	5558.60
Lease liability (including current maturities)	444.66	(129.24)	154.74	470.16
	49787.09	(7459.96)	1905.15	44232.28

₹ In lakhs

Change in Liability arising from Financing Activities	1st April 2021	Cashflow	Foreign Exchange movement/ others	As at 31st March, 2022
Borrowing- Non-current (including current maturities)	24407.05	15665.08	516.68	40588.81
Borrowing - Current	4707.89	4192.53	(146.80)	8753.62
Lease liability (including current maturities)	544.96	(133.57)	33.27	444.66
	29659.90	19724.04	403.15	49787.09

In terms of our report attached

For **S.Daga & Co.**
Chartered Accountants
(F.No.000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25th May, 2023
UDIN NO: 23011617BGYYBS8992

For and on behalf of Board of Directors

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Rahul Jain
Managing Director
(D.No: 00576447)

M Viswanatha Reddy
Chief Financial Officer

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Disha Jindal
Company Secretary

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

1 Corporate information

The Consolidated Financial Statements comprises financial statement of "Pokarna Limited" ("the Parent Company") and its wholly owned subsidiary Pokarna Engineered Stone Limited and Pokarna Foundation for the year ended 31.03.2023. The Company and its subsidiary are collectively referred to as 'the Group'.

The Group is principally engaged in the business:

- (a) quarrying, manufacturing & processing and selling of Granite;
- (b) manufacturing and selling of Apparel under the brand name 'Stanza'; and
- (c) manufacturing, processing and selling of high quality engineered quartz surfaces.
- (d) to implement, assist, facilitate or otherwise undertake programmes, projects and all activities relating to Corporate Social Responsibilities carried out by Pokarna Group companies."

2 Basis of preparation, measurement and significant accounting policies

The significant accounting policies applied by the Group in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

2.1 Basis of preparation and measurement

(a) Basis of preparation

The Group financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

(b) Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve month

period from the balance sheet date."

2.2 Key accounting judgement, estimates and assumptions:

The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

2.3 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statement.

2.4 Significant accounting policies

A Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiary. The financial statements of the Parent company and its subsidiary have been consolidated on a line-by-line basis together with the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profits. The financial statements of the Parent Company and its subsidiary have been consolidated using uniform accounting policies.

B Property, plant and equipment

An item of property, plant and equipment is recognized as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognized in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognized. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalized. Borrowing costs incurred during the period of construction is capitalized as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognized in the statement of profit and loss.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

Project development and pre-operative expenses attributable to project are allocated to the cost of the fixed assets. Others are written off over the period of five years from the year of commercial operations begins.

C Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortization is provided so as to write off, on a straight line basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are determined with reference to Schedule II to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Freehold land is not depreciated.

D Intangible assets

(i) Intangible assets are stated at cost less accumulated amortization or impairment. Intangible assets are amortized on their estimated useful life of assets. Expenditure incurred in research phase is expensed as incurred.

Stripping costs

(ii) Stripping costs

The Group separates two different types of stripping costs that are incurred in surface mining activity:

(a) Developmental stripping costs and

(b) Production stripping costs

Developmental stripping costs which are

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for the year ended 31 March, 2023

incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalized as part of mining assets. Capitalization of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to raw granite in the form of inventories and/or to improve access to deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realized in the form of inventories.

The Group recognizes a stripping activity asset in the production phase if, and only if, all of the following are met:

- (i) It is probable that the future economic benefit (improved access to the mine) associated with the stripping activity will flow to the Group
- (ii) The Group can identify the component of the mine for which access has been improved and
- (iii) The costs relating to the improved access to that component can be measured reliably.

Such costs are presented within mining assets (Intangible Assets). After initial recognition, stripping activity assets are carried at cost less accumulated amortization and impairment. The Stripping activity assets are amortized based on cost of inventory produced compared with expected cost.

E Provision for decommissioning, site restoration and environmental costs

Under Ind AS, cost of an item of property, plant and equipment or intangible assets includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Such cost of decommissioning, restoration or similar liability is to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life.

The Group has liabilities related to restoration of mines and other related works, which are due upon the closure of certain of its production sites.

Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation

is made using existing technology, at current prices, and discounted using a discount rate where the effect of time value of money is material. The effect of the time value of money on the restoration and environmental costs liability is recognized in the statement of profit and loss.

F Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

"In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for trade receivables."

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the statement of profit and loss. This amount is reflected in a separate line in the statement of profit and loss as an impairment gain or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount

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rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of assets, impairment losses recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

G Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) As a Lessee

The Group has adopted Ind AS 116-Leases

effective 1st April, 2020, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2020). Accordingly, previous period information has not been restated. The Group's lease asset classes primarily consist of leases for Land and Buildings, Retail Outlets, Vehicles and Plant & Machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset."

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is

Notes to Consolidated Financial Statements

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subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(ii) As a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

H Financial instruments

Financial assets

All financial assets are initially recognized at fair value except trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. Financial

assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The Group's financial assets include security deposits, cash and cash equivalents, trade receivables and deposits with banks. Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Investment in subsidiaries

The Group has accounted for its investments in subsidiaries at cost.

Financial liabilities

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group financial liabilities include Loans and borrowings and trade and other payables.

I Cash and bank balances

Cash and bank balances consist of:

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for the year ended 31 March, 2023

- (i) Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than three months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdraft but including other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

- (ii) **Other bank balances** - which includes balances and deposits with banks that are restricted for withdrawal and usage.

J Employee benefits

- (i) Short term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid towards bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably."

- (ii) **Post -employment benefits**

Defined contribution plans

Provident Fund

Eligible employees of the Group receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Group make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. employer contribution is charged to statement of profit and loss. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Group has no further obligation to the plan beyond its monthly contributions.

Employee state Insurance Scheme

Eligible employees of the Group are covered under "Employees State Insurance Scheme Act 1948", which are also defined contribution schemes recognized and administered by Government of India.

The Group's contributions to these schemes are recognized as expense in statement of profit and loss during the period in which the employee renders the related service. The Group has no further obligation under these plans beyond its monthly contributions.

Defined benefit plans

The Group provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Group. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Group. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan for parent company (Granite division) is administered by a trust formed for this purpose through the Company gratuity Scheme. The Group recognizes the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in the statement of profit and loss.

Other long-term employee benefits

The liabilities for compensated absences which are not expected to occur within twelve months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using projected unit credit method. Remeasurements as a result

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of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods.

Group uses updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

K Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, Stores and Spares, Consumables, Packing materials and traded goods are valued at Cost on First-In-First-Out (FIFO) basis. Cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition on normal operating capacity. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and appropriate portion of variable and fixed overhead expenditure, computed on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The Group assess the valuation of Inventories at each reporting period and write down the value for different finished goods based on their quality classes and ageing. Inventory provisions are provided to cover risks arising from slow-moving items, discontinued products, and net realizable value lower than cost. The process for evaluating these write-offs often requires to make subjective judgments and estimates, based primarily on historical experience, concerning prices at which such inventory will be able to be sold in the normal course of business, planned product discontinuances and introduction of competitive new products, to the extent each of these factors impact the Group's business.

L Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for Warranties

The Group generally provides a standard warranty for covering manufacturing defects for different periods of time, depending on the type of product and the customer when the product is sold or service provided to the customer. The Group records a provision for the estimated cost to repair or replace products under warranty, which is estimated, based primarily on historical experience as well as management judgment. The assumptions made in relation to the current period are consistent with those in the prior year. This provision is not discounted to the present value and is determined based on the best estimate required to settle the obligations at the Balance Sheet date.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of

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economic benefits is probable.

M Government grants

Effective from 01st April 2019, the Group has adopted and opted Ind AS 20 policy for 'Accounting for Government Grants and Disclosure of Government Assistance' from 'Deferred Income recognised in Statement of Profit and Loss on a systematic basis over the useful life of the assets' to 'Option of deducting the same from carrying value'.

N Non-current assets held for sale

Non-current assets comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in the statement of profit and loss. Gains are not recognized in excess of any cumulative impairment loss.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognized on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

O Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of profit and loss except relating to items recognized directly in equity or in other comprehensive income.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to

settle the asset and the liability on a net basis.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognized and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Group determines the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

P Revenue

Revenue is recognized at the amount of transaction price (net of variable consideration) when the performance obligations under contract are fulfilled and there are no unfulfilled obligations and amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company. The specific recognition criteria described below must also be met before revenue is recognized:

Goods Sold. Revenue from sale of goods are recognized when controls of the product are transferred in accordance with the terms of sale, and there is no unfulfilled obligation that could affect

Notes to Consolidated Financial Statements

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the customers' acceptance of the products and is net of trade discounts, sales returns, where applicable. accordingly export and domestic revenue is recognized when the performance obligations in our contracts are fulfilled.

Rendering of services Revenue recognition is based on the terms and conditions as per the contracts entered into / understanding with the customers and the service is performed and there are no unfulfilled obligations. All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered a separate unit of account is accounted for separately. The allocation of the consideration from revenue arrangement to its separate units of account is based on the relative fair value of each unit.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend Income is recognized when the company's right to receive the payment has been established.

Export Benefits Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same."

Expenditure

Expenditure is accounted on accrual basis.

Q Foreign currency

Items included in the financial statements of the Group are recorded using the currency of the primary economic environment (INR) in which the Group operates (the 'functional currency').

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the Statement of profit and loss of the year.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are not translated.

The transactions like receipt or payment of advance consideration in a foreign currency are translated at the rates on the date of transaction. The date of transaction for the purpose of determining exchange rate is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

R Finance income and finance cost

Finance income comprises interest income on funds invested and dividend income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and lease liabilities, unwinding of the discount on provisions, impairment losses recognized on financial assets, interest expense and penalties related to income tax.

S Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

T Segment reporting

Each of the reportable segments derives its revenues from the main products and hence these have been identified as reportable segments by the Group's chief operating decision maker ("CODM"). Segment revenue, result, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and unallocated corporate liabilities respectively.

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U Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

V Dividend declared

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

W Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. These are material items of income or expense that have to be shown separately due to their nature or incidence.

Notes to Consolidated Financial Statements

3. Property, plant and equipment & Intangible assets

Particulars	As at 31st March 2023	As at 31st March 2022
Property, plant and equipment		
A. Owned Assets	72176.14	74743.15
B. ROU Leased Assets	1023.73	1029.59
Total	73199.87	75772.74
Owned - Intangible assets	106.21	44.39

A. Owned Assets

Particulars	Property, plant and equipment					Intangible assets			Total of intangible assets
	Land	Buildings	Factory & quarry buildings	Plant and equipment	Furniture & fixtures	Office equipment	Vehicles	Total of property, plant and equipment	
1. Deemed Cost (Gross Carrying Amount)									
Balance as at 1st April 2021	2947.63	945.57	24468.92	62375.22	806.63	1059.76	1130.14	93754.87	-
Additions	-	405.49	1101.28	7950.69	73.56	223.39	184.44	9938.85	-
Disposals/ transfer	(15.78)	-	(96.97)	(430.62)	(58.17)	-	(32.34)	(633.88)	-
Balance as at 31st March 2022	2931.85	1354.06	25473.23	69893.29	822.02	1283.15	1282.24	103039.84	-
Balance as at 1st April 2022	2931.85	1354.06	25473.23	69893.29	822.02	1283.15	1282.24	103039.84	-
Additions	0.25	407.94	218.06	694.74	31.22	110.93	101.50	1564.64	66.31
Disposals/ transfer	-	-	-	(370.17)	(277.10)	(11.20)	(41.02)	(699.49)	-
Balance as at 31st March 2023	2932.10	1762.00	25691.29	70217.86	576.14	1382.88	1342.72	103904.99	66.31
2. Accumulated Depreciation									
Balance as at 1st April 2021	-	426.37	2967.35	19688.57	629.62	623.35	695.06	25030.32	-
Depreciation/Amortisation for the year	-	24.42	780.71	2608.89	32.32	118.26	110.08	3674.68	-
Disposals/ transfer	-	-	-	(318.13)	(59.02)	-	(31.16)	(408.31)	-
Balance as at 31st March 2022	-	450.79	3748.06	21979.33	602.92	741.61	773.98	28296.69	-
Balance as at 1st April 2022	-	450.79	3748.06	21979.33	602.92	741.61	773.98	28296.69	-
Depreciation/Amortisation for the year	-	39.73	801.69	2885.78	31.94	143.25	103.33	4005.72	0.17
Disposals/ transfer	-	-	-	(260.38)	(263.23)	(11.15)	(38.60)	(573.56)	-
Balance as at 31st March 2023	-	490.52	4549.75	24604.53	371.63	873.71	838.71	31728.85	0.17
3. Carrying Amount (Net)									
At 31st March 2022	2931.85	903.27	21725.17	47913.96	219.10	541.54	508.26	74743.15	-
At 31st March 2023	2932.10	1271.48	21141.54	45613.33	204.51	509.17	504.01	72176.14	66.14

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for the year ended 31 March, 2023

3. Property, plant and equipment & Intangible assets (Contd..)

3.1) Some of the assets acquired out of finance are under Hypothecation.

3.2) Details of security of property, plant and equipment subject to charge to secured borrowings - refer note. 14.1 & 14.3

3.3) Land includes cost of land admeasuring Acres 2.11 cents, which has been disputed by third parties pending disposal.

3.4) Title deeds of Immovable Properties not held in name of the Company

₹ In lakhs

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Relationship with Title holder	Property held Since which date	Reasons for not being held in the name of the company
Property, Plant & Equipment	Land	6.77	Promoter & Non Executive Director	NA	Since 1997	Transfer formalities are pending
Property, Plant & Equipment	Land	2.67	Erstwhile seller	NA	Since 1997	Transfer formalities are pending
Property, Plant & Equipment	Land	19.00	Government Land	NA	Since 2004	Transfer formalities are pending
Total		28.44				

3.5) Capital work-in-progress ₹ 59.64 lakhs (previous year ₹ 100.74 lakhs).

Capital work-in-progress ageing schedule as at 31st March 2023

₹ In lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	59.64	-	-	-	59.64
Projects temporarily suspended	-	-	-	-	-

Capital work-in-progress ageing schedule as at 31st March 2022

₹ In lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	99.34	1.40	-	-	100.74
Projects temporarily suspended	-	-	-	-	-

B. ROU Leased Assets *

₹ In lakhs

Particulars	Leasehold Land	Building	Total
1. Deemed cost (Gross carrying amount)			
Balance as at 1st April 2021	766.59	759.82	1526.41
Additions	-	67.30	67.30
Disposals/ transfer	-	(70.43)	(70.43)
Balance as at 31st March 2022	766.59	756.69	1523.28
Balance as at 1st April 2022	766.59	756.69	1523.28
Additions	-	188.47	188.47
Disposals/ transfer	-	(151.45)	(151.45)
Balance as at 31st March 2023	766.59	793.71	1560.30

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

3. Property, plant and equipment & Intangible assets (Contd..)

₹ In lakhs			
Particulars	Leasehold Land	Building	Total
2. Accumulated Depreciation			
Balance as at 1st April 2021	71.71	288.52	360.23
Depreciation/ amortisation for the year	35.95	142.39	178.34
Disposals/ transfers	-	(44.88)	(44.88)
Balance as at 31st March 2022	107.66	386.03	493.69
Balance as at 1st April 2022	107.66	386.03	493.69
Depreciation/ amortisation for the year	35.95	133.88	169.83
Disposals/ transfers	-	(126.95)	(126.95)
Balance as at 31st March 2023	143.61	392.96	536.57
3. Carrying amount (net)			
At 31st March 2022	658.93	370.66	1029.59
At 31st March 2023	622.98	400.75	1023.73

*refer Note 40

4 Loans

₹ In lakhs		
Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Non-current loans		
Loan receivables considered good -unsecured		
Other loans	148.01	179.21
Total	148.01	179.21
B. Current loans		
Loan receivables considered good -unsecured		
Other loans	332.64	352.24
Loans to employees	0.61	-
Total	333.25	352.24

5 Other financial assets

₹ In lakhs		
Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Non-current financial assets		
Unsecured, considered good		
Deposits with maturity for more than 12 months		
Margin money given against a bank guarantee/letter of credit	106.79	14.58
Interest accrued on fixed deposits	2.77	0.56
Deferred payment charges	7.88	61.23
Security deposit	968.65	578.07
Total	1086.09	654.44
B. Current financial assets		
Unsecured, considered good		
Interest accrued on fixed deposits	19.28	18.17
Deferred payment charges due within one year	14.47	59.13
Total	33.75	77.30

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

6 Other assets

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
A. Non-current assets		
Unsecured, considered good		
Capital advances	103.97	95.92
Advance to Suppliers	-	409.96
Defer lease rentals	9.15	12.76
Other Non-Current Assets	66.18	100.00
Total	179.30	618.64
B. Current assets		
Unsecured, considered good		
Indirect taxes receivable	1650.17	2479.20
Advance to suppliers	593.24	300.15
Other current assets	184.96	169.28
Prepaid expenses	649.28	607.27
Total	3077.65	3555.90

7 Inventories

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Raw materials	3721.17	3839.33
Work-in-progress	257.73	1308.90
Finished goods	8203.75	8542.37
Traded goods	36.81	47.36
Consumables, stores & spares	5165.16	3941.82
Packing material	819.98	660.79
Total	18204.60	18340.57
Details of materials in transit included in inventories above		
Raw materials	131.64	757.72
Consumables, stores & spares	532.68	482.11
Packing material	0.74	66.02

8 Trade receivables

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Considered good -secured	-	-
Considered good -unsecured	10932.87	14315.19
Which have significant increase in credit risk	219.85	216.77
Credit impaired	-	-
Allowance for credit losses	(219.85)	(216.77)
Total	10932.87	14315.19

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

8 Trade receivables (Contd.)

8.1 There are no outstanding debts due from directors or other officers of the company.

8.2 Trade receivables ageing schedule as at 31st March 2023

₹ In lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	10672.84	86.66	89.81	83.56	0.00	10932.87
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	219.85	219.85
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
	10672.84	86.66	89.81	83.56	219.85	11152.72
Less: Allowance for Credit losses						(219.85)
Total Trade receivable						10932.87

Trade receivables ageing schedule as at 31st March 2022

₹ In lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	13981.71	183.33	104.08	45.90	0.17	14315.19
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	216.77	216.77
(iii) Undisputed Trade receivables - Credit impaired						
	13981.71	183.33	104.08	45.90	216.94	14531.96
Less: Allowance for Credit losses						(216.77)
Total Trade receivable						14315.19

9 Cash and cash equivalents

₹ In lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash in hand	6.95	13.31
Balances with banks:		
On current accounts	1405.87	1417.16
On cash credit accounts	537.13	886.00
Total	1949.95	2316.47

9.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

₹ In lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents	1949.95	2316.47
Less: Cash credit [refer note. 14(B)]	(1626.63)	(1675.58)
Total	323.32	640.89

for the year ended 31 March, 2023

		₹ In lakhs
Particulars	As at 31st March, 2023	As at 31st March, 2022
Margin money given against a bank guarantee/letter of credit		
with maturity for more than 3 months but less than 12 months	1079.18	813.97
In unpaid dividend account	10.08	11.02
Total	1089.26	824.99

		₹ In lakhs
Particulars	As at 31st March, 2023	As at 31st March, 2022
Tax refundable	42.89	5.30
Less: Provision for Tax	(25.01)	-
Total	17.88	5.30

		₹ In lakhs
Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorized:		
10,00,00,000 (previous year 10,00,00,000)		
equity shares of ₹2/- each (₹2/-) par value	2000.00	2000.00
Issued, subscribed and fully paid-up:		
3,10,04,000 (previous year 3,10,04,000)		
equity shares of ₹2/- each (₹2/-) fully paid-up	620.08	620.08
Total	620.08	620.08

		₹ In lakhs
Equity shares	No. of shares	No. of shares
At the beginning of the period	31004000	31004000
Issued during the period	-	-
Outstanding at the end of the period	31004000	31004000

The group has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting..

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹2 /- each fully paid				
Gautam Chand Jain	15703885	50.65	15703885	50.65
Kotak Debt Hybrid	1570264	5.06	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

12 Share capital (Contd..)

12.4 Details of shareholders holding of Promoters in the company

Equity shares

S.No.	Promoter Name	₹ In lakhs	
		No. of shares as at March 31, 2023	% of change during the year
1	Gautam Chand Jain	15703885	50.65%
2	Vidya Jain	500000	1.61%
3	Rahul Jain	498500	1.61%
4	Neha Jain	500000	1.61%
5	Megha Jain	125000	0.40%
6	Prakash Chand Jain	60000	0.19%
7	Ashok Chand Jain Kantilal	60000	0.19%
8	Raaj Kumar Jain Kantilal	60000	0.19%
9	Anju Jain	60000	0.19%

13 Other equity

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Securities Premium	73.96	73.96
General reserve	980.36	980.36
Net surplus in the statement of Profit and Loss		
Opening balance	42362.63	34718.66
Add: Profit for the year	6581.09	7830.00
	48943.72	42548.66
Less: Dividend paid	186.02	186.03
	48757.70	42362.63
Other comprehensive income		
Opening balance	252.81	163.79
Movement in OCI (net) during the year	30.10	89.02
	282.91	252.81
Total	50094.93	43669.76

14 Borrowings

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
A. Non-current		
Secured loans - From banks (refer note, 14.1 & 14.3)		
Term loans in Indian rupees	12013.81	6907.28
Term loans in Foreign currency	12155.92	19885.15
Secured loans - From others (refer note, 14.1 & 14.3)		
Term loans in Indian rupees	61.35	-
Unsecured loans		
Loans & advances from related parties		
Loans from directors	2548.19	3978.93
Inter Corporate Deposits	7733.86	7673.96
Total	34513.13	38445.32

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

14 Borrowings (Contd..)

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
B. Current		
Secured loans - From banks		
Current maturities of long term borrowings:		
From banks -secured (refer note. 14.1 & 14.3)		
Term loans in Indian rupees	2196.54	573.21
Term loans in Foreign currency	1479.90	1570.28
From others -secured (refer note. 14.1)		
Term loans in Indian rupees	13.95	-
Working capital loans - repayable on demand (refer note. 14.1 & 14.3)		
Cash Credit Facilities in Indian rupees	1626.63	1675.58
Bill discounting facilities in Foreign currency	1336.19	1609.09
Total	10875.62	12572.69

Nature of security and terms of repayment for secured borrowings:

14.1 Term loan in Indian rupees of ₹ 498.43 lakhs & working capital facilities of ₹ 2147.76 lakhs from Union Bank of India are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future and personal properties of some of the directors and guarantees of the Directors (other than independent directors).

Cash credit facility in Indian rupees carries interest @ 9.75%, Packing credit loans in foreign currency and Bill discounting facilities in Foreign currency carries interest @ 6.10%.

Term loans in Indian rupees of ₹ 38.65 lakhs are for purchase of assets, secured by hypothecation of respective assets and personal guarantee of the Directors (other than Independent directors).

14.2 Maturity profile of term loans from banks are as set out below:

	₹ In lakhs	
	2023-24	2024-25
Term loans in Indian rupees		
1 yr. MCLR plus 4% - 11.25%	332.28	166.15
6% to 9.02%	33.12	5.53

14.3 Term loans in Indian rupees of ₹ 1525.51 lakhs & working capital facilities of ₹ 3786.41 lakhs from Union Bank of India, Bank of India & Indian Overseas Bank of under consortium are secured by a first charge ranking pari-passu mortgage over leasehold interests under the land lease agreement and equitable mortgage of buildings along with the plant & machinery including current assets such as inventories, book debts and other receivables both present and future of the unit situated at Visakhapatnam and personal guarantees of the Directors (other than independent directors).

Term loans in Indian rupees of ₹ 11948.45 lakhs, Term loans in foreign currency of ₹ 13635.83 lakhs & working capital facilities of ₹ 1251.06 lakhs from Union bank of India for Unit 2 at Mekaguda Gram Panchayat, Dooskal Village, Ranga Reddy District is secured by a first charge on entire assets and also 2nd pari passu charge on the entire assets (both movable and immovable) of existing unit at Visakhapatnam as a additional collateral security and personal guarantees of the Directors (other than independent directors).

Cash credit facilities in Indian rupees carries interest @ 9.75% to 10.20%, Packing credit loans in foreign currency carries interest @ 3.50% to 6.10%.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

14 Borrowings (Contd.)

Term loans in Indian rupees of ₹ 274.60 lakhs are for purchase of assets, secured by hypothecation of respective assets and personal guarantee of the Directors (other than Independent directors).

14.4 Maturity profile of term loans from banks are as set out below:

	₹ In lakhs			
Rate of interest	2023-24	2024-25	2025-26	2026-27 & Beyond
Term loans in Foreign currency				
Six months SOFR plus 200 bps -4.769 % to 6.7916%	1479.90	1479.90	2219.86	8456.16
Term loans in Indian rupees				
1 yr. MCLR plus 0.60% to 2.15 % -8.85% to 10.35%	1732.18	1930.12	2484.44	7327.22
6% to 9.02%	112.91	87.99	44.59	29.12

15 Lease Liabilities

	₹ In lakhs	
Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Non-Current		
Lease liability (refer note. 40)	351.75	326.89
Total	351.75	326.89
B. Current		
Lease liability (refer note. 40)	118.41	117.77
Total	118.41	117.77

16 Deferred tax

Deferred tax liabilities (net)

	₹ In lakhs	
Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities		
Property, plant & equipment	5834.43	5096.34
	5834.43	5096.34
Deferred tax asset		
Receivables	55.33	54.56
Provisions	1054.02	588.52
MAT credit entitlement	2621.90	3215.62
	3731.25	3858.70
Total	2103.18	1237.64

Deferred tax liabilities (net)

	₹ In lakhs	
Particulars	As at 31st March, 2023	As at 31st March, 2022
At the start of the year	1237.64	768.74
Unused tax credit	593.72	(802.02)
Charge/ (Credit) to statement of P&L	271.82	1270.92
At the end of the year	2103.18	1237.64

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

Component of deferred tax liabilities/(asset)

₹ In lakhs			
Deferred tax liabilities/(asset) in relation to:	As at March 31, 2022	Charge/ (credit) to profit or loss	As at March 31, 2023
Property, plant and equipment	5096.34	738.09	5834.43
Provisions	(588.51)	(465.50)	(1,054.01)
Receivables	(54.56)	(0.77)	(55.33)
Unused tax credit	(3215.63)	593.72	(2621.91)
Total	1237.64	865.54	2103.18

17 Other financial liabilities

₹ In lakhs		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
Interest accrued but not due on borrowings	4.28	1.93
Unpaid dividend	10.08	11.02
	14.36	12.95

18 Provisions

₹ In lakhs		
Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Non-current		
For employee benefits		
Gratuity (refer note. 26(1a))	612.32	523.93
Compensated absence (refer note. 26(1b))	147.23	128.46
Others		
Restoration liability	27.95	33.28
Total	787.50	685.67
B. Current		
For employee benefits		
Gratuity (refer note. 26(1a))	42.50	36.44
Compensated absence (refer note. 26(1b))	9.41	8.03
Others		
Warranties	1110.00	1127.67
Total	1161.91	1172.14

₹ In lakhs				
18.1 Particulars	Opening balance	Provision recognized	Provision utilized	Closing balance
Provision for warranty	1127.67	-	17.67	1110.00

Product warranties: The subsidiary company gives warranties on its products in the nature of repairs / replacement, which fail to perform satisfactorily during warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is expected to be within a period of 1- 2 year.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

19 Current tax liabilities (net)

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Provision for income tax	1630.75	1899.76
Less: Advance tax	1513.08	656.98
Total	117.67	1242.78

20 Other liabilities

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
A. Non-Current		
Creditors for capital expenditure	179.92	860.41
Total	179.92	860.41
B. Current		
Advance received from customers	953.81	951.71
Creditors for capital expenditure	1069.76	2091.75
Statutory liabilities	143.69	125.74
Other liabilities	1388.60	2245.50
Total	3555.86	5414.70

21 Trade payables

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
a) total outstanding dues of micro enterprises and small enterprises	219.82	333.30
b) total outstanding dues of creditors other than micro enterprises and small enterprises	5704.19	10446.02
Total	5924.01	10779.32

21.1 Trade payables ageing schedule as at 31st March 2023

Particulars	₹ In lakhs				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	219.82	0.00	0.00	0.00	219.82
(ii) Others	5657.41	4.52	0.81	41.45	5704.19
Total	5877.23	4.52	0.81	41.45	5924.01

Trade payables ageing schedule as at 31st March 2022

Particulars	₹ In lakhs				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	333.30	0.00	0.00	0.00	333.30
(ii) Others	10393.67	5.33	8.04	38.98	10446.02
Total	10726.97	5.33	8.04	38.98	10779.32

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

21 Trade payables (Contd..)

21.2 Disclosure in accordance with Section 22 of micro, small and medium enterprises development Act, 2006

₹ In lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid at the year end	-	-
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	-	-
c) Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	43.34	800.05
d) Interest paid, under section 16 of MSMED Act, to suppliers registered under the Act, beyond the appointed day during the year	0.70	16.27
e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	0.41
f) Interest accrued and remaining unpaid at the end of accounting year	-	0.41
g) Further interest remaining due and payable for earlier years	-	-

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group, regarding the status of registration of such vendor under the said Act, as per the intimation received from them on the request made by the Group.

22 Revenue from operations

₹ In lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	72461.59	64624.03
Sale of services	337.38	395.05
Total	72798.97	65019.08

23 Other income

₹ In lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on		
Bank deposits	48.94	52.02
Others	25.42	112.43
Income tax refund	3.74	-
Scrap sales	97.20	39.88
Insurance claim	0.10	10.13
Credit balances written back	-	19.85
Profit on sale of property, plant & equipment	2.07	0.81
Exchange gain	915.86	408.21
Gain on modification of lease	9.24	8.57
Allowance for credit losses written back	24.26	6.24
Provision no longer required written back	6.00	3.14
Duty Drawback Benefit Account	0.23	-
Total	1133.06	661.28

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

24 Cost of raw material consumed

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock	3839.33	2777.34
Add: Purchases	28935.03	28927.35
	32774.36	31704.69
Less: Closing stock	3721.17	3839.33
Total	29053.19	27865.36

25 Changes in stock of finished goods, work-in-progress and stock-in-trade

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	8542.37	5096.88
Work-in-progress	1308.90	317.67
Stock-in-trade	47.36	23.03
	9898.63	5437.58
Inventories at the end of the year		
Finished goods	8203.75	8542.37
Work-in-progress	257.73	1308.90
Stock-in-trade	36.81	47.36
	8498.29	9898.63
Total	1400.34	(4461.05)

26 Employee benefits expense

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus & allowances	5144.33	4484.14
Contribution to provident fund and other funds	231.46	220.35
Retirement benefits	185.86	162.22
Staff welfare expense	299.71	419.69
Total	5861.36	5286.40

26.1 Employee benefits:

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Defined contribution plan		
Employer's contribution to provident fund	208.30	197.98

Defined benefit plan

The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The employees' gratuity fund scheme managed by a trust (Funded with Life Insurance Corporation of India for Granite Division of the parent company) is a defined benefit plan.

The obligation for compensated absence is recognized in the same manner as gratuity.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

26 Employee benefits expense (Contd..)

a) Retiring gratuity:

- (i) The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Change in defined benefit obligations:		
Obligation at the beginning of the year	699.12	680.85
Current service costs	92.17	83.60
Interest costs	49.23	42.45
Remeasurement (gain)/losses	(17.32)	(71.27)
Benefit paid	(52.12)	(36.51)
Obligation at the end of the year	771.08	699.12

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Change in plan assets:		
Fair value of plan assets at the beginning of the year	138.74	138.28
Interest income	8.78	8.96
Remeasurement gain/(losses)	0.02	11.40
Employers' contributions	20.83	16.61
Benefits paid	(52.11)	(36.51)
Fair value of plan assets at the end of the year	116.26	138.74

Amounts recognised in the balance sheet consists of:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	(116.26)	(138.74)
Present value of obligation	771.08	699.12
	654.82	560.38
Recognised as:		
Retirement benefit liability - Current	42.50	36.44
Retirement benefit liability - Non-current	612.32	523.94

Expenses recognised in the statement of profit and loss consists of:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Employee benefits expenses:		
Current service costs	92.17	83.60
Interest costs	40.45	33.49
Past service cost -(vested benefits)	-	-
	132.62	117.09
Other comprehensive income:		
(Gain)/loss on plan assets	(0.02)	(11.40)
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	4.65	(57.18)
Actuarial (gain)/loss arising from changes in experience adjustments	(21.97)	(14.08)
	(17.34)	(82.66)
Expenses recognised in the statement of profit and loss	115.28	34.43

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

26 Employee benefits expense (Contd..)

(ii) The key assumptions used in accounting for retiring gratuity is as below:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.20%	7.24%
Rate of escalation in salary (per annum)	8.00%	8.00%

(iii) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

(iv) The parent company expects to contribute ₹ 25.00 lakhs to its gratuity plan for the next year.

(v) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.

As at March 31, 2023

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 856.31 lakhs, increase by ₹ 698.74 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 851.49 lakhs, decrease by ₹ 701.01 lakhs

As at March 31, 2022

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 777.29 lakhs, increase by ₹ 632.65 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 772.73 lakhs, decrease by ₹ 633.99 lakhs

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

b) Compensated absence:

(i) The following table sets out the amounts recognised in the financial statements in respect of compensated absence:

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Change in defined benefit obligations:		
Obligation at the beginning of the year	136.49	133.35
Current service costs	43.30	36.63
Interest costs	9.94	8.50
Remeasurement (gain)/losses	(22.88)	(36.30)
Benefit paid	(10.21)	(5.69)
Obligation at the end of the year	156.64	136.49

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Change in plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Remeasurement gain/(losses)	-	-
Employers' contributions	10.22	5.69
Benefits paid	(10.22)	(5.69)
Fair value of plan assets at the end of the year	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

26 Employee benefits expense (Contd.):

Amounts recognised in the balance sheet consists of:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	-	-
Short term compensated absence liability	-	-
Present value of obligation	156.64	136.49
	156.64	136.49
Recognised as:		
Retirement benefit liability - Current	9.41	8.03
Retirement benefit liability - Non-current	147.23	128.46

Expenses recognised in the statement of profit and loss consists of:

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Employee benefits expenses:		
Current service costs	43.30	36.63
Interest costs	9.94	8.50
Past service cost	-	-
	53.24	45.13
Other comprehensive income:		
(Gain)/loss on plan assets	-	-
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	3.38	(13.53)
Actuarial (gain)/loss arising from changes in experience adjustments	(26.26)	(22.77)
	(22.88)	(36.30)
Expenses recognised in the statement of profit and loss	30.36	8.83

(ii) The key assumptions used in accounting for compensated absence is as below:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.20%	7.50%
Rate of escalation in salary (per annum)	8.00%	8.00%

(iii) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

(iv) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.

As at March 31, 2023

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 176.10 lakhs, increase by ₹ 135.43 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 175.47 lakhs, decrease by ₹ 140.67 lakhs

As at March 31, 2022

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 152.93 lakhs, increase by ₹ 122.72 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 152.43 lakhs, decrease by ₹ 122.88 lakhs

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

27 Depreciation & Amortization expense

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, plant & equipment (owned assets)	4005.72	3674.68
Depreciation on Property, plant & equipment (leased assets) (refer note.40)	169.83	178.34
Amortization on intangible assets	4.49	4.31
Total	4180.04	3857.33

28 Finance costs

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowings:		
- Banks	2616.50	1939.21
- Others	1167.97	1462.55
Interest expense on lease liability(refer note.40)	64.12	64.53
Interest on taxes / duties	29.73	139.58
Exchange Fluctuation considered as Interest cost	948.56	509.11
Total	4826.88	4114.98

29 Other expenses

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores & spares	5210.23	5220.66
Packing material	1344.58	1112.56
Processing & job work expenses	584.02	385.52
Power and fuel	2219.20	2212.57
Repairs and maintenance:		
- Plant and machinery	155.94	164.09
- Building	17.34	6.32
- Others	88.94	46.62
Cutter and driller charges	76.48	193.86
Rent (refer note.40)	30.48	34.84
Rates and taxes	120.33	87.89
Deferred lease expense written off	6.58	8.21
Insurance	339.04	336.62
Communication charges	61.07	65.09
Printing & stationery	31.41	34.26
Travelling & conveyance expenses	201.15	72.43
Electricity charges	37.01	31.52
Vehicle maintenance	224.16	233.39
Auditors remuneration	25.67	24.01
Advertisement	1.41	5.07
Professional & consultancy	374.31	312.05
Commission to non-executive directors	25.09	27.68
Directors sitting fees	24.50	29.00
Donations	6.08	5.27
CSR activity expenses	174.65	167.60

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

29 Other expenses (Contd..)

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Fees & subscriptions	42.87	43.24
Government royalty and dead rent	611.36	553.60
Carriage outwards	5781.59	6278.22
Sales commission	9.64	23.28
Discounts and claims	71.88	55.32
Business promotion expenses	1202.55	587.19
Debit balances written off	11.56	16.79
Allowance for credit losses	27.34	-
Provision for warranties	-	75.13
Exchange Loss (Net)	76.13	-1.02
Bad Debts Written off	-	16.98
Loss on modification of lease	-	0.10
Bank charges	130.02	135.30
Impairment / loss on sale of PPE	13.18	29.25
Miscellaneous expenses	90.50	95.22
Total	19448.29	18725.73

29.1 - Auditors remuneration

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Statutory audit	24.00	22.50
Certification	1.25	1.25
Out of pocket expenses	0.42	0.26

29.2 - Corporate social responsibility (CSR)

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
(i) Amount required to be spent by the company during the year	174.65	167.60
(ii) Amount of expenditure incurred (on purpose other than construction / acquisition of assets)	60.60	-
(iii) Shortfall at the end of the year *	114.05	167.60
(iv) Total of previous years shortfall	167.60	Nil
(v) Reasons for shortfall	Pertains to ongoing projects	Not applicable
(vi) Nature of CSR activities	Health, Sanitation, Education & Rural Development	Health & Sanitation
(vii) Details of related party transactions	Nil	Nil
(viii) Where a provision is made with respect to liability incurred by entering into a contractual obligation, the movement in the provision during the year shall be shown separately	Nil	Nil

*The unspent amount will be transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

30 Effective tax rate

		₹ In lakhs
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income taxes		
A) Income tax expense/(benefit) recognised in the statement of profit and loss		
Current tax	2249.49	1899.77
Less: MAT credit entitlement	-	(802.03)
Deferred tax	261.70	1240.98
Deferred tax on comprehensive income	10.12	29.94
Tax in respect of earlier years	-	20.52
Total	2521.31	2389.18
B) Reconciliation of income tax expense		
Profit / (loss) before tax	9092.28	10189.24
Other comprehensive Income	40.22	118.96
Effective tax rate	30.00%	29.17%
Computed effective tax expense	2738.54	3006.59
Tax effect of:		
Expenses disallowed	1866.63	1546.59
Allowable items from IT act	(2329.95)	(3378.58)
Setoff against carryover losses	-	(27.85)
Deductions under IT act	(25.73)	(49.01)
Current tax provision (A)	2249.49	1097.74
Incremental deferred tax liability on account of PPE and intangible assets	738.09	1272.17
Incremental deferred tax asset on account of financial assets and other items	(466.27)	(1.24)
Deferred tax provision (B)	271.82	1270.93
Tax expense recognised in the statement of profit and loss (A+B)	2521.31	2368.67
Effective tax rate	27.61%	22.98%

31 Earnings per share (EPS)

		₹ In lakhs
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Face value of equity share (in ₹)	2.00	2.00
(ii) Weighted average number of equity shares outstanding	31004000	31004000
(iii) Profit for the year (total operations)	6581.09	7830.00
(iv) Weighted average earnings per share (basic and diluted) (in ₹)	21.23	25.25

32 Related party disclosures :

As per IND AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

a) Names of the associates:

Pokarna Fabrics Pvt Limited, Pokarna Fashions Pvt Limited, Pokarna Marketing Pvt Limited, Southend, Southend Extension, Pokarna Textiles

b) Names of Key management personnel

Gautam Chand Jain, Rahul Jain, Vishwanath Reddy, Disha Jindal, Piyush Khandelwal* and Babita chandrakar*

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

32 Related party disclosures : (Contd..)

c) Names of relatives

Raaj Kumar Jain, Ashok Chand Jain, Vidya Jain, Rekha Jain, Anju Jain, Ritu Jain, Pratik Jain, Neha Jain, Megha Jain, Gautam Chand Jain (HUF), Prakash Chand Jain (HUF)

d) Name of executive & non-executive director

Apurva Jain, Prakash Chand Jain, Mahender Chand Chordia, Meka Yugandhar, Vinayak Rao Juvvadi, Jayshree Rajesh Sanghani

* Babita chandrakar company secretary resigned on 23rd May 2022 and Piyush Khandelwal company secretary resigned on 28th Feb 2023.

A. Compensation of Key management personnel of the Group

The amount mentioned below represents remuneration paid and debited to the Group. The compensation includes salary, employer's contribution to PF, LTA, bonus, medical and termination benefits. All amounts mentioned below are inclusive of service tax and GST. The CMD, MD, CFO and Company Secretary are regarded as Key management personnel in terms of Companies act, 2013..

Particulars	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	693.53	751.04
Post-employment pension, provident fund and medical benefits	0.88	0.91
Termination benefits*	-	-
Total compensation paid to Key management personnel	694.41	751.95

* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end and, accordingly, have not been considered in the above information.

B. Transactions with key management personnel and other related parties - 2022-23(2021-22)

Nature of the transaction	₹ In lakhs				
	Key Management personnel	Executive/ Non-executive directors	Associates/ other related parties	Relatives	Total
Purchases					
Goods and services, net	-	-	4.44	-	4.44
	-	-	(3.93)	-	(3.93)
Sales					
Goods and services, net	-	-	-	-	-
	-	-	(1.20)	(0.46)	(1.66)
Job work	-	-	-	-	-
	-	-	(0.04)	-	(0.04)
Expenses					
Remuneration	693.53	24.00	-	8.00	725.53
	(751.04)	(24.00)	-	-	(775.04)
Commission & Sitting fee	-	49.40	-	-	49.40
	-	(56.66)	-	-	(56.66)
Rent & taxes	5.92	8.76	34.24	93.19	142.11
	(5.88)	(8.75)	(34.33)	(96.55)	(145.51)
Interest	323.18	-	787.86	-	1111.04
	(422.79)	-	(763.10)	-	(1185.89)
Dividend Paid					
Dividend	97.21	0.36	-	7.83	105.40
	(88.11)	(2.64)	-	(14.67)	(105.42)

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

32 Related party disclosures : (Contd..)

₹ In lakhs

Nature of the transaction	Key Management personnel	Executive/ Non-executive directors	Associates/ other related parties	Relatives	Total
Loans & advances					
Loans received	200.00	-	-	-	200.00
	-	-	-	-	-
Carrying amount					
Payables	2559.47	26.40	7733.86		10319.73
	(4303.30)	(29.22)	(7673.96)		(12006.48)
Rent deposit - receivable	-	8.33	27.55	97.82	133.70
	-	(8.33)	(23.20)	(97.82)	(129.35)

Disclosure in respect of material transactions with KMP and other related parties during the year:

₹ In lakhs

S.No	Particulars	Relationship	Year ended March 31, 2023	Year ended March 31, 2022
1	Purchases			
	Goods & Services, net			
	Pokarna Fabrics Pvt Limited	Associate	4.35	2.22
	Pokarna Marketing Pvt Ltd	Associate	0.09	1.71
2	Sales			
	Goods & Services, net			
	Southend Extension	Associate	-	1.20
	Pratik Jain	Relative	-	0.46
	Job Work			
	Southend Extension	Associate	-	0.04
3	Expenses			
	Remuneration			
	Gautam Chand Jain	Key management personnel	497.61	553.55
	Rahul Jain	Key management personnel	120.00	120.00
	Apurva Jain	Executive director	24.00	24.00
	Neha Jain	Relative	8.00	-
	Viswanatha Reddy	Key management personnel	69.15	69.15
	Babita Chandrakar	Key management personnel	0.78	8.34
	Piyush Khandelwal	Key management personnel	5.99	-
	Commission & Sitting fee			
	Prakash Chand Jain	Non-executive director	9.98	9.61
	Mahender Chand Chordia	Non-executive director	8.98	8.61
	Meka Yugandhar	Non-executive director	9.48	9.61
	T.V.Chowdary	Non-executive director	-	9.61
	Vinayak Rao Juvvadi	Non-executive director	10.48	9.61
	Jayshree Rajesh Sanghani	Non-executive director	10.48	9.61
	Rent & taxes			
	Pokarna Fabrics Pvt Limited	Associate	34.24	34.33
	Gautam Chand Jain	Key management personnel	5.92	5.88
	Prakash Chand Jain	Non-executive director	8.76	8.75
	Gautam Chand Jain (HUF)	Relative	14.70	14.70
	Prakash Chand Jain (HUF)	Relative	15.27	15.27
	Vidya Jain	Relative	8.76	8.75
	Ritu Jain	Relative	14.25	14.27
	Pratik Jain	Relative	8.76	8.75
	Rekha Jain	Relative	17.25	17.25
	Ashok Chand Jain (HUF)	Relative	11.68	11.68
	Anju Jain	Relative	2.52	5.88

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

32 Related party disclosures : (Contd..)

₹ In lakhs

S.No	Particulars	Relationship	Year ended March 31, 2023	Year ended March 31, 2022
	Interest			
	Pokarna Fabrics Pvt Limited	Associate	677.02	635.15
	Pokarna Marketing Pvt Limited	Associate	110.84	127.95
	Gautam Chand Jain	Key management personnel	181.79	274.92
	Rahul Jain	Key management personnel	141.39	147.87
	Dividend			
	Gautam Chand Jain	Key management personnel	94.22	85.12
	Vidya Jain	Relative	3.00	3.00
	Neha Jain	Relative	3.00	3.00
	Rahul Jain	Key management personnel	2.99	2.99
	Prakash Chand Jain	Non-Executive Director	0.36	2.64
	Anju Jain	Relative	0.36	2.64
	Raaj Kumar Jain	Relative	0.36	2.64
	Ashok Chand Jain	Relative	0.36	2.64
	Megha Jain	Relative	0.75	0.75
4	Loans & Advances			
	Loans received			
	Gautam Chand Jain	Key management personnel	200.00	-
5	Carrying amount			
	Payables			
	Pokarna Fabrics Pvt Limited	Associate	7048.69	6439.37
	Pokarna Marketing Pvt Limited	Associate	685.17	1234.59
	Gautam Chand Jain	Key management personnel	1486.62	2816.54
	Rahul Jain	Key management personnel	1068.61	1481.35
	Viswanatha Reddy	Key management personnel	4.24	4.25
	Babita Chandrakar	Key management personnel	-	1.16
	Apurva Jain	Executive director	1.55	1.56
	Prakash Chand Jain	Non-executive director	4.97	4.61
	Mahender Chand Chordia	Non-executive director	4.97	4.61
	Meka Yugandhar	Non-executive director	4.97	4.61
	T.V.Chowdary	Non-executive director	-	4.61
	Vinayak Rao Juvvadi	Non-executive director	4.97	4.61
	Jayshree Rajesh Sanghani	Non-executive director	4.97	4.61
	Rent deposit receivable			
	Pokarna Fabrics Pvt Limited	Associate	27.55	23.20
	Prakash Chand Jain	Non-executive director	8.33	8.33
	Gautam Chand Jain (HUF)	Relative	16.44	16.44
	Prakash Chand Jain (HUF)	Relative	17.10	17.10
	Rekha Jain	Relative	16.48	16.48
	Anju Jain	Relative	19.80	19.80
	Ashok Chand Jain & Sons	Relative	11.34	11.34
	Vidya Jain	Relative	8.33	8.33
	Pratik Jain	Relative	8.33	8.33

Notes to Consolidated Financial Statements

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33 Contingent liabilities and commitments

33.1 Contingent liabilities :

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
a. Letter of credits outstanding	306.85	889.25
b. Bank guarantee	35.30	10.60
c. Claims against the Group / disputed liabilities not acknowledged as debts:		
i) Income tax matters, pending decisions on various appeals made by the Group and by the department. Amount deposited ₹ Nil (previous year ₹ Nil lakhs)	144.45	149.27
ii) Excise matters (including service tax), Amount deposited ₹ 23.06 lakhs (previous year ₹ 23.06 lakhs)	396.34	396.34
iii) Customs matters, Amount deposited ₹ Nil (previous year ₹ Nil)	75.91	75.91
iv) Sales tax matters, amount deposited ₹ 34.97 lakhs (previous year ₹ 34.97 lakhs)	266.05	266.05
v) Goods and Service Tax (GST) matters, amount deposited ₹ Nil.	71.65	37.74
vi) Mines & Geology matters, amount deposited ₹ Nil (previous year ₹ Nil)	1016.94	1141.74
vii) Cross subsidy charges payable to state power distribution company	10.91	10.91
viii) Wheeling charges ,transmission charges and FSA charges payable to TSSPDC	335.09	306.13
ix) As per the amendment in The Payment of Bonus Act, 1965 notified on 1 January 2016, which was effective retrospectively from 1st April, 2014, the Group on the legal advice decided not to implement in view of the interim order dated 26th April, 2016 of Hon'ble Andhra Pradesh High Court allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.	72.03	72.03
x) Other matters disputed	176.54	163.75

33.2 Capital commitments

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account not provided for	195.08	122.15

33.3 Other Commitments:

- 'Granite processing units of the parent company situated at Aliabad and Toopronpet village are registered as a 100% export oriented units ("EOU"), and are exempted from Customs and Central Excise duties and levies on imported & indigenous capital goods and stores & spares. The Company has executed a Bond Cum Legal Undertaking to pay Customs duty, Central Excise duty, levies and liquidated damages payable, if any, in respect of imported and indigenous capital goods and stores & spares, consumed duty free, in the event that certain terms and conditions are not fulfilled. As on 31st March, 2023, the Company has a positive Net Foreign Exchange Earning, as defined in the Foreign Trade Policy 2009-2014 and 2015-2021 wherever applicable..
- Obligations towards environmental protection measures in respect of quarry leases ₹ 308.63 lakhs (previous year ₹ 212.63 lakhs)
- The undertaking of the subsidiary company situated at Atchutapuram, Visakhapatnam being a SEZ has executed a legal undertaking for obligations regarding proper utilization and accountable of goods, including capital goods, stores & spares, raw materials, components and consumables including fuels, imported or procured duty free and regarding achievement of positive net foreign exchange earning. As on 31st March, 2023, the Company has a positive Net Foreign Exchange Earning, as defined in the SEZ Act, 2005.
- The undertaking of the company situated at Mekaguda Gram panchayat and Dooskal village, Ranga Reddy Dist. is registered as a 100% export oriented unit ("EOU"), and is exempted from customs and central excise duties, GST and levies on imported & indigenous capital goods and stores & spares. The company has executed a bond cum legal undertaking to pay customs duty, central excise duty, GST, levies and liquidated damages payable, if any, in respect of imported and indigenous capital goods and stores & spares, consumed duty free, in the event that certain terms and conditions are not fulfilled. As on 31st March, 2023, the Company has a positive Net Foreign Exchange Earning, as defined in the foreign trade policy 2009-2014 and 2015-2021 wherever applicable..

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

33 Contingent liabilities and commitments (Contd..)

- v) The Group is also involved in other lawsuits, claims, investigations and proceedings, including trade mark and commercial matters, which arise in the ordinary course of business. However, there are no material claims on such cases..
- vi) The date of implementation of the Code of Wages 2019 and Code on Social Security, 2020 is yet to be notified by the Government. The Company is in the process of assessing the impact of these Codes and will give effect in the financial results when the Rules/Schemes thereunder are notified.

33.4 Lease commitments of short term lease and low value lease

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months..

Particulars	₹ In lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Not later than One year	20.54	19.89
Later than one year and not later than five years	-	-

34 Segment Reporting

Disclosure of segment reporting for the year 2022-23(2021-22):

(a) Information about Primary Business Segments:

Description	₹ In lakhs			
	Granite	Apparel	Quartz Surfaces	Total
Sales to external customers	5765.72	266.70	66766.55	72798.97
	(6607.67)	(310.51)	(58100.90)	(65019.08)
Inter segment sales	31.61	35.86	-	67.47
	(35.77)	(28.37)	-	(64.14)
Total revenue	5797.33	302.56	66766.55	72866.44
	(6643.44)	(338.88)	(58100.90)	(65083.22)
Segment results				
Profit / (loss)	555.27	(165.00)	13529.01	13919.28
	(556.89)	(-196.15)	(13434.72)	(13795.46)
Unallocable Expenses				0.12
				(0.35)
Interest expenses				4826.88
				(4114.98)
Income tax				2511.19
				(2359.24)
Profit after tax				6581.09
				(7830.00)
Other segment information:				
Capital expenditure	36.80	2.69	1581.97	1621.46
	(191.72)	(35.58)	(3400.82)	(3628.12)
Depreciation	695.00	140.88	3344.16	4180.04
	(737.49)	(158.31)	(2961.53)	(3857.33)

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

34 Segment Reporting (Contd..)

₹ In lakhs

Description	Granite	Apparel	Quartz Surfaces	Total
Particulars of segment assets and liabilities:				
Segment assets	11632.06	1731.16	97054.57	110417.79
	(12534.39)	(1789.94)	(102833.13)	(117157.46)
Unallocable segment assets				0.54
				(0.66)
Segment liabilities	5960.92	674.80	53067.60	59703.32
	(6905.64)	(615.63)	(65347.00)	(72868.27)

(b) Information about secondary segments – geographical

Revenue attributable to location of customers is as follows

₹ In lakhs

Geographical Market	Year ended March 31, 2023				Year ended March 31, 2022			
	Granite	Apparel	Quartz Surfaces	Total	Granite	Apparel	Quartz Surfaces	Total
U S A	1003.22	-	61528.52	62531.74	1308.34	-	54356.08	55664.42
China	1478.98	-	-	1478.98	1279.73	-	-	1279.73
India	2403.41	266.69	2177.45	4847.55	2964.04	310.50	988.71	4263.25
Rest of the world	880.12	-	3060.58	3940.70	1055.57	-	2756.11	3811.68
Total	5765.73	266.69	66766.55	72798.97	6607.68	310.50	58100.90	65019.08

The entire activity pertaining to sales outside India is carried out from India.

Notes:

- The group has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system and which is also the basis on which the Chief Operating Decision Maker (CODM) reviews and assess the Group's performances. The operations predominantly relate to Granite, Apparel and Quart Surfaces segments..
- Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on reasonable basis.
- The Group's exposure to customers is diversified and there are two customer who contributes more than 10% each of the total revenue for the year ended March 31, 2023 and March 31, 2022 for Granite segment and there are three customers who contributes more than 10% each of the total revenue for the year ended March 31, 2023 and four customers for the year ended March 31, 2022 for Quartz surfaces segment..

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

35 Additional information pursuant to para 2 of general instructions for the preparation of the Consolidated Financial Statements

		₹ In lakhs						
March 31, 2023	Consolidated net assets		Consolidated Profit or loss		Consolidated OCI		Consolidated total comprehensive income	
	Percentage	₹ In lakhs	Percentage	₹ In lakhs	Percentage	₹ In lakhs	Percentage	₹ In lakhs
Parent								
Pokarna Limited	23%	12846.24	1%	74.45	128%	38.38	2%	112.83
Indian Subsidiaries								
Pokarna Engineered Stone Ltd	77%	44111.33	99%	6788.60	-28%	(8.28)	98%	6780.31
Pokarna Foundation	0%	0.54	0%	(0.12)	0%	0.00	0%	(0.11)
Sub Total	100%	56958.11	100%	6862.93	100%	30.10	100%	6893.03
Adjustments arising out of consolidation		(6243.10)		(281.84)		-		(281.84)
Total		50715.01		6581.09		30.10		6611.19

		₹ In lakhs						
March 31, 2022	Consolidated net assets		Consolidated Profit or loss		Consolidated OCI		Consolidated total comprehensive income	
	Percentage	₹ In lakhs	Percentage	₹ In lakhs	Percentage	₹ In lakhs	Percentage	₹ In lakhs
Parent								
Pokarna Limited	26%	12919.43	0%	8.39	90%	79.79	1%	88.18
Indian Subsidiaries								
Pokarna Engineered Stone Ltd	74%	37581.26	100%	7857.73	10%	9.23	99%	7866.96
Pokarna Engineered Stone Ltd	0%	0.65	0%	(0.35)				(0.35)
Sub Total	100%	50501.34	100%	7865.77	100%	89.02	100%	7954.79
Adjustments arising out of consolidation		(6211.49)		(35.77)		-		(35.77)
Total		44289.85		7830.00		89.02		7919.02

36 Capital management

- The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity.
- The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.
- The Group's adjusted net debt to equity ratio is as follows::

		₹ In lakhs	
Movements in allowance for credit losses of receivables is as below:		As at March 31, 2023	As at March 31, 2022
Gross debt		45388.75	51018.01
Less: Cash and bank balances		3146.00	3156.04
Adjusted net debt		42242.75	47861.97
Total equity		50715.01	44289.84
Adjusted net debt to equity ratio		0.83	1.08

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

37 Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31st March 2023

₹ In lakhs

Particulars	Carrying amount			Fair value		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Security Deposit	968.65	-	968.65	-	968.65	-
Deferred payment charges	22.35	-	22.35	-	22.35	-
Financial assets not measured at fair value						
Other loans	481.26	-	481.26	-	-	-
Accrued interest	22.05	-	22.05	-	-	-
Trade receivables	10932.87	-	10932.87	-	-	-
Cash and cash equivalents	3146.00	-	3146.00	-	-	-
Total	15573.18	-	15573.18	-	991.00	-
Financial liabilities measured at fair value						
Lease liability	470.16	-	470.16	-	470.16	-
Financial liabilities not measured at fair value						
Secured bank loans	35031.40	-	35031.40	-	-	-
Secured other loans	75.30	-	75.30	-	-	-
Loans from related parties	10282.05	-	10282.05	-	-	-
Trade payables	5924.01	-	5924.01	-	-	-
Accrued interest	4.28	-	4.28	-	-	-
Unpaid dividend	10.08	-	10.08	-	-	-
Total	51797.28	-	51797.28	-	470.16	-

31st March 2022

₹ In lakhs

Particulars	Carrying amount			Fair value		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Security Deposit	578.07	-	578.07	-	578.07	-
Deferred payment charges	120.36	-	120.36	-	120.36	-
Financial assets not measured at fair value						
Other loans	531.45	-	531.45	-	-	-
Accrued interest	18.73	-	18.73	-	-	-
Trade receivables	14315.19	-	14315.19	-	-	-
Cash and cash equivalents	3156.04	-	3156.04	-	-	-
Total	18719.84	-	18719.84	-	698.43	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

37 Financial instruments (Contd..)

				₹ In lakhs		
Particulars	Carrying amount			Fair value		
	Other financial assets	Other financial liabilities -	Total	Level 1	Level 2	Level 3
	-amortised cost	amortised cost	carrying amount			
Financial liabilities measured at fair value						
Lease liability	444.66	-	444.66	-	444.66	
Financial liabilities not measured at fair value						
Secured bank loans	39365.12	-	39365.12	-	-	-
Loans from related parties	11652.89	-	11652.89	-	-	-
Trade payables	10779.32	-	10779.32	-	-	-
Accrued interest	1.93	-	1.93	-	-	-
Unpaid dividend	11.02	-	11.02	-	-	-
Total	62254.94	-	62254.94	-	444.66	

The fair value of financial instruments is determined using discounted cash flow analysis. The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature. The fair value of the long-term borrowings with floating-rate of interest is not impacted due to interest rate changes, and will be evaluated for their carrying amounts based on any change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans). For financial assets and liabilities that are measured at fair value, the carrying amount is equal to the fair values.

38 Financial risk management objectives and policies

I. Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

II. Risk management framework:

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

- **Credit risk**
 - Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers
 - Trade and other receivables: The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

38 Financial risk management objectives and policies (Contd..)

The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Not due	8951.67	13482.48
Upton 1 year	1807.83	682.56
1 to 2 years	89.81	104.08
2 to 3 years	83.56	45.48
More than 3 years	219.85	408.17
Total	11152.72	14722.77

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in allowance for credit losses of receivable is as follow:	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	216.77	226.15
Charge in statement of profit and loss	27.34	-
Release to statement of profit and loss	(24.26)	(9.38)
Utilised during the year	-	-
Balance at the end of the year	219.85	216.77

iii) Cash and cash equivalents: The Group held cash and cash equivalents of ₹ 1949.95 lakhs as at 31 March 2023 (previous year ₹ 2316.47 lakhs). The cash and cash equivalents are held with public sector banks and leading private sector bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

iv) In respect of financial guarantees provided by the Parent Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

• Liquidity risk

i) Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

ii) The Group aims to maintain the level of its cash and cash equivalents and investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. This excludes potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disaster.

iii) Exposure to Liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

31st March 2023

Particulars	₹ In lakhs			
	Carrying amount	1 year or less	1-3 years	More than 3 years
Borrowings- secured	35106.70	10875.62	8418.58	15812.50
Borrowings- un-secured	10282.05	-	-	10282.05
Trade payables	5924.01	5883.79	3.20	37.02
Lease liabilities	470.16	118.42	158.92	192.82
Other financial liabilities	14.36	14.35	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

38 Financial risk management objectives and policies (Contd..)

31st March 2022

Particulars	Carrying amount	1 year or less	1-3 years	₹ In lakhs
				More than 3 years
Borrowings- secured	39365.12	12572.69	6926.93	19865.50
Borrowings- un-secured	11652.89	-	-	11652.89
Trade payables	10779.32	10779.32	-	-
Lease liabilities	444.66	118.71	169.27	156.68
Other financial liabilities	12.95	12.95	-	-

• Market risk

- i) **Market risk** is the risk that changes in market prices such as foreign exchange rates and interest rates prices, will affect the Group's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The Group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Particulars	As at March 31, 2023		As at March 31, 2022	
Currency	USD	EURO	USD	EURO
Borrowings	17940.77	-	28581.12	-
Trade receivables	9662.80	127.65	13548.62	100.59
Trade and other payables (including payable for capital goods)	155.12	2313.20	436.80	4371.43
Cash & Bank balances (Including deposits)	888.52	97.47	1188.71	23.96
Total	28647.21	2538.32	43755.25	4495.98

- ii) **Currency risk:** The Group is exposed to foreign exchange risk arising from foreign currency transaction. The Group also imports and the risk is managed by regular follow up . The Group has a policy which is implemented when the foreign currency risk become significant.

A 10% appreciation/depreciation of the foreign currencies with respect to functional currency of the Group would result in an increase/decrease in the Group's net profit before tax by approximately ₹ 971.70 lakhs for the year ended March 31, 2023 (previous year ₹ 2734.13 lakhs).

- iii) **Interest rate risk:** Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss by ₹ 373.17 lakhs (previous year ₹ 310.95 lakhs). This analysis assumes that all other variables remain constant..

- i) **Operational risk** is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.
- ii) The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

38 Financial risk management objectives and policies (Contd..)

- iii) The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:
- Requirements for appropriate segregation of duties, including the independent authorization of transactions
 - Requirements for the reconciliation and monitoring of transactions
 - Compliance with regulatory and other legal requirements
 - Documentation of controls and procedures
 - Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
 - Requirements for the reporting of operational losses and proposed remedial action
 - Development of contingency plans
 - Training and professional development
 - Ethical and business standards
 - Risk mitigation, including insurance when this is effective..
- iv) Compliance with Group's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and Board of the Group.

39 Pokarna Engineered Stone Limited ("PESL") was selected by the U.S. Department of Commerce ("USDOC") as a "mandatory respondent" first administrative review of the Antidumping duty ("ADD") Order on the imports of quartz surface products from India and as a result, PESL's ADD assessment rate for the first review period has reduced to 0% from 0.33% and also the ADD cash deposit has reduced to 0% with effect from January 9, 2023.

The second administrative ADD review is ongoing whose preliminary results are expected in June 2023. With regard to CVD review, all parties have withdrawn the review request of the first as well as second CVD review, hence the CVD duty of 2.34% as determined in investigation period is final CVD assessment rate for entries of the first as well as second review period.

There is no impact on the financials of the company. :

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

40 Leases disclosures

As a Lessee

Movement in lease liability during the year:

Particulars	₹ In lakhs	
	As at March 31, 2023	As at March 31, 2022
Opening balance as on 01st April 2022	444.66	544.96
Additions on account of adoption of Ind As 116	-	-
Adjustments on modification of leases	154.73	33.18
Interest expenses on lease liability	64.12	64.53
Principal payments of lease liability	(193.35)	(198.01)
As at 31st March 2023	470.16	444.66
Current	118.41	117.77
Non Current	351.75	326.89
Amounts recognised in the statement of cash flows		
Payments for leases In financing activity	193.35	198.01

Amounts recognised in statement of profit or loss	₹ In lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense on leased assets	169.83	178.34
Interest expense on lease liability	64.12	64.53
Rent expense-Short term leases and leases of low value assets	30.48	34.84
Total amount recognised in Profit or loss	264.43	277.71

41 Ratios

Following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Denominator
Current Ratio (in times)	Current assets	Current liabilities	1.72	1.36	26%	Due to decline in current liabilities
Debt - Equity Ratio (in times)	Total Debts	Shareholder's Equity	0.75	0.92	-18%	
Debt - Service coverage Ratio (in times)	Earnings available for debt service	Debt service	1.53	3.07	-50%	Due to increase in repayment obligation
Return on Equity(ROE) (in %)	Net profits after taxes	Average Shareholder's Equity	13%	18%	-28%	Due to decline in profit
Inventory turnover ratio	Cost of goods sold	Average Inventory	2.58	2.42	-2%	
Trade receivables turnover ratio	Revenue	Average Trade Receivables	5.77	6.97	-17%	
Trade payables turnover ratio	Trade payables	Average Trade Payables	4.24	4.62	-8%	
Net capital turnover ratio	Revenue	Working capital	4.87	6.15	-21%	
Net profit ratio (in %)	Net Profit	Revenue	9%	12%	-25%	Due to decline in profit
Return on capital employed (ROCE) (in %)	Earnings before interest and taxes	Capital Employed	20%	20%	0%	
Return on Investment (ROI) (in %)	Income generated from Investments	Time weighted average investments	-	-	-	

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

42 Additional Regulatory Information

- The Group has used the borrowings from banks and financial institutions for the specific purpose for which it has taken at the balance sheet date and quarterly returns or statements of current assets filed with banks are in agreement with the books of accounts.
- The Group has not revalued its Property, Plant and Equipment and its intangible assets.
- The Group is not holding any Benami Property and there are no proceedings initiated or pending against the Group.
- The Group has not been declared wilful defaulter by any bank or financial institutions.
- The Group does not have any relationship with Struck off Companies.
- There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax act.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43 The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 25th May 2023, there are no subsequent events to be recognised or reported that are not already disclosed.

44 Dividend

	₹ In lakhs	
Amounts recognised in statement of profit or loss	2022-23	2021-22
Dividend on Equity shares paid during the year		
Final dividend for the FY 2021-22 [₹ 0.60 (Previous year ₹ 0.60) per equity share of ₹ 2 each]	186.02	186.03

Proposed Dividend

The Board of Directors of Parent company at its meeting held on 25 th May 2023 have recommended payment of final dividend of ₹ 0.60 (rupees sixty paisa only) per equity share of face value of ₹ 2 each for the financial year ended 31st March 2023. The same amounts to ₹ 186.02 lakhs.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

45 Previous year figures are regrouped, rearranged and reclassified wherever considered necessary in order to conform to the current years presentation.

46 The financial statements for the year ended 31st March 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 25, May 2023..

In terms of our report attached

For and on behalf of Board of Directors

For **S.Daga & Co.**
Chartered Accountants
(F.No.000669S)

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Meka Yugandhar
Director
(D.No: 00012265)

Shantilal Daga
Partner
Membership No. 11617

Rahul Jain
Managing Director
(D.No: 00576447)

Apurva Jain
Executive Director
(D.No: 06933924)

Place : Hyderabad
Date : 25th May, 2023
UDIN NO: 23011617BGYYBS8992

M Viswanatha Reddy
Chief Financial Officer

Disha Jindal
Company Secretary

Notes



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